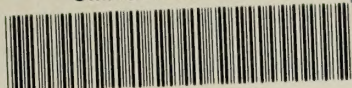
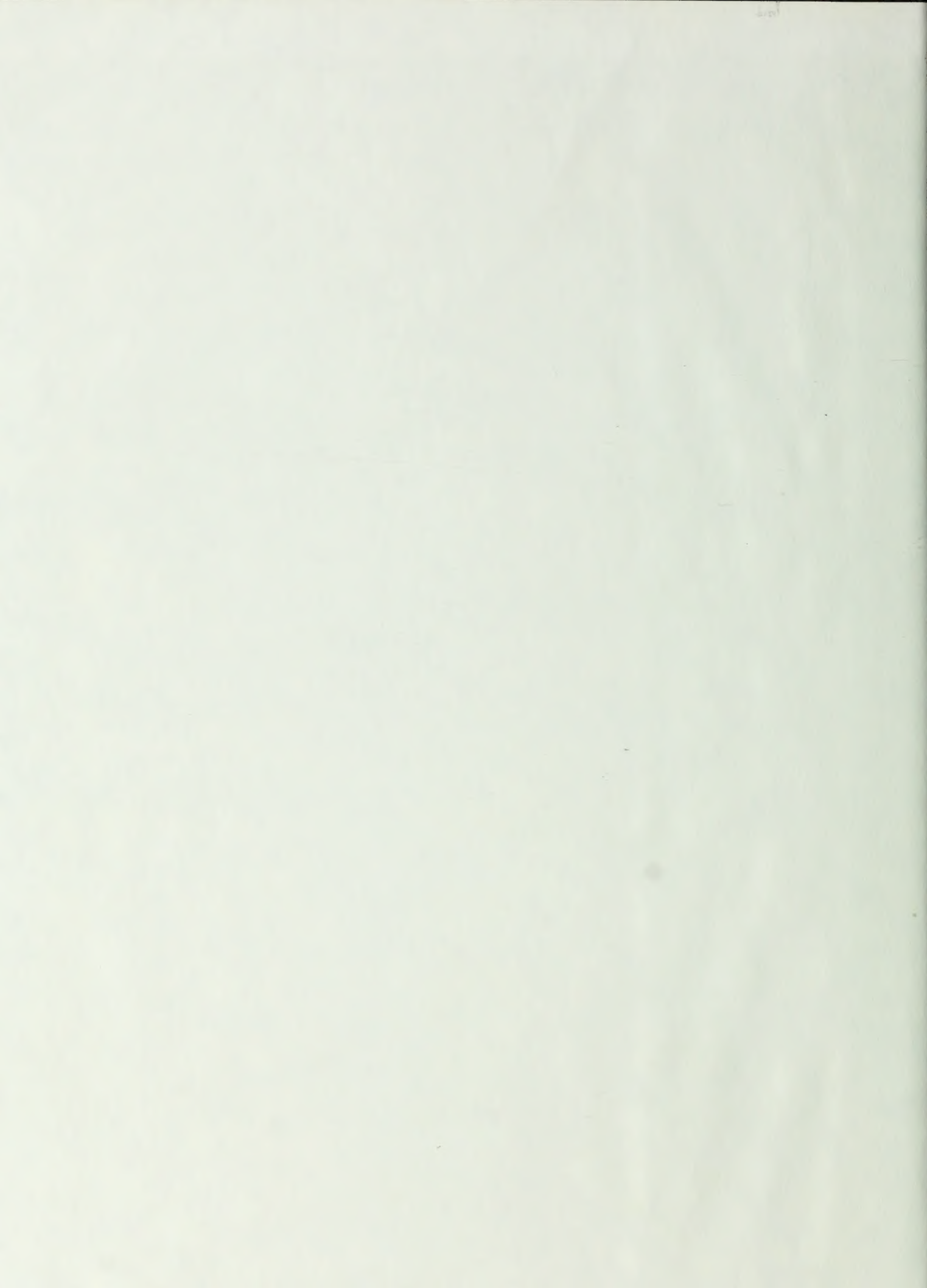


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Massachusetts Turnpike Authority

1980 ANNUAL REPORT

GOVERNMENT DOCUMENTS
COLLECTION

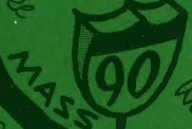
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*Twenty Eight Years of Service
to Massachusetts
1952-1980*

Massachusetts



West Stockbridge
Lee
Westfield
Chicopee
Ludlow
Springfield
Palmer
Sturbridge
Auburn
Millbury
Westborough
Framingham
Natick
Newton
BOSTON
SOUTH EAST EXPRESSWAY

DICK LE BLANC

MASSACHUSETTS TURNPIKE AUTHORITY STAFF

Finance and Administration Office	S. J. Britton, Secretary-Treasurer	Personnel Office	J. W. Francis, Director of Personnel
Administrative Services Division	P. F. Byrne, Assistant Secretary- Assistant Treasurer	Engineering and Maintenance Department	M. C. O'Neil, Chief Engineer
Computer Services Division	W. M. O'Brien, Manager of Computer Services	Construction Division	J. N. Ginn, Assistant Chief Engineer
Financial Services Division	K. R. Lewis, Controller	Maintenance Division	J. T. Olin, Maintenance Engineer
Highways Division	G. F. O'Connell, Director of Highways	Toll Collection Department	H. Fink, Superintendent of Toll Collection
Attorney General's Office			
Board of Transportation			
Community Development Office			
Legal Office			

The Massachusetts Turnpike Authority was created by Chapter 354 of the Acts of 1952 as an autonomous instrumentality of the Commonwealth to discharge the public functions which have, from time to time, been delegated to it by the Legislature. The Authority acts through a board of three members, one of whom is designated as Chairman, who are appointed by the Governor for terms of eight years.

The Authority operates three separate and financially distinct facilities, i.e., The Massachusetts Turnpike, The Callahan-Sumner Tunnels and The Boston Extension of the Massachusetts Turnpike.

These facilities were financed by means of three revenue bond issues totalling over five hundred million dollars. Neither the faith and credit nor the taxing power of the Commonwealth of Massachusetts or of any political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds. The funds providing for the maintenance, operation and policing of these facilities, as well as principal and interest payments on the bond issues, are derived solely from tolls and other revenues generated by users.

funds providing for the maintenance, operation and policing of these facilities, as well as principal and interest payments on the bond issues, are derived solely from tolls and other revenues generated by users.			
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MASSACHUSETTS TURNPIKE AUTHORITY

STAFF

Finance and Administration Office	S. J. Britton , Secretary-Treasurer	Personnel Office	J. W. Francis , Director of Personnel
Administrative Services Division	P. F. Byron , Assistant Secretary-Assistant Treasurer	Engineering and Maintenance Department	M. C. Crain , Chief Engineer
Computer Services Division	W. M. Coffill , Manager of Computer Services	Construction Division	J. N. Grim , Assistant Chief Engineer
Financial Services Division	K. R. Lewis , Controller	Maintenance Division	J. T. Dias , Maintenance Engineer
Retirement System	G. F. Coughlin , Secretary to Retirement Board	Toll Collection Department	H. Finn , Superintendent of Toll Collection
Affirmative Action and Equal Opportunity Office	A. T. McCann , Equal Employment Opportunity Officer	Tunnels Department	W. P. Driscoll , Superintendent of Tunnels
Community Relations Office	E. M. King , Director of Community Relations	Troop E, Massachusetts State Police	W. J. Gillespie , Commander
Legal Office	L. E. Ryan , Resident Counsel		

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MASSACHUSETTS TURNPIKE AUTHORITY STAFF

Legal Office	L. E. Ryan, Resident Counsel	Community Relations Office	E. M. Ryan, Director of Community Relations	A. T. McCann, Equal Employment Opportunity Officer	Tunnels Department	Troop E, Massachusetts State Police	W. J. Gillespie, Commander	W. R. Driscoll, Superintendent of Tunnels	H. Finn, Superintendent of Toll Collection	J. T. Blair, Maintenance Engineer	J. W. Grimm, Assistant Chief Engineer	M. C. O'Neil, Chief Engineer	J. W. Francis, Director of Personnel
Community Relations Office		Retirement System	G. F. Coughlin, Secretary to Retirement Board	Toll Collection Department	Maintenance Division	Construction Division	Engineering and Maintenance Department	Finance and Administration Office	R. F. Byron, Assistant Secretary-Assistant Treasurer	Computer Services Division	Financial Services Division	Administrative Services Division	

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MASSACHUSETTS TURNPIKE AUTHORITY

SUITE 3000, PRUDENTIAL CENTER

BOSTON, MASSACHUSETTS 02199

JOHN T. DRISCOLL, CHAIRMAN
DAVID R. NAGLE, VICE-CHAIRMAN
PAUL F. MAY, MEMBER



536-1400

February 28, 1981

His Excellency Edward J. King
Governor of the Commonwealth of Massachusetts
and
Members of the Senate and House of Representatives
Boston, Massachusetts

His Excellency and Honorable Members:

In accordance with this Authority's enabling legislation, section 15, Chapter 354, Acts of 1952, as amended, we are pleased to submit herewith the Twenty-seventh Annual Report of the Massachusetts Turnpike Authority covering the 1980 operation of the initial section of the Massachusetts Turnpike, the Boston Extension thereto, and the Callahan-Sumner Tunnels.

Further, in accordance with the provisions of Chapter 32, section 20, subsection 5, paragraph (i) of the General Laws, we are also submitting herewith the report of the financial condition of the Massachusetts Turnpike Authority Employees' Retirement System as of December 31, 1980.

A handwritten signature in cursive script, reading "John T. Driscoll".

JOHN T. DRISCOLL
Chairman

A handwritten signature in cursive script, reading "David R. Nagle".

DAVID R. NAGLE
Vice Chairman

A handwritten signature in cursive script, reading "Paul F. May".

PAUL F. MAY
Member

1980 for repair, replacement and rehabilitation work on the Initial Turnpike, Boston Extension and Callahan-Sumner Tunnels.

The need to rehabilitate Turnpike bridge decks is a result of several years of exposure to the elements, de-icing agents and traffic. In 1980, some 4 million dollars worth of bridge deck work was accomplished involving repair, reconstruction, waterproofing and surfacing. Other bridge contracts consisted of cleaning and painting steel superstructures, repairing substructure concrete and refurbishing bridge bearing devices.

Additional replacement reserve projects provided for stabilization and repair of eroded side-slopes in Sturbridge, and improvements to sewer and water connections serving Interchanges 10, 11 and 12 and the Auburn Maintenance Area. A second contract for built-up roofing was awarded in 1980 to complete the replacement of roofs needing immediate repair at toll plaza utility buildings, maintenance areas and police stations.

Pavement repairs were performed to the west-bound roadway of the Boston Extension from Newton Corner to Route 128 in advance of resurfacing planned for 1981. At the Callahan Tunnel, improvements were made to the wall tile panel fastening system.

Major projects under design for 1981 include resurfacing 12 miles of the main line of the Turnpike from Mile 36 in Westfield to Mile 48 in Chicopee and reconstructing the eastbound roadway portion of the 1,200 foot long Connecticut River Bridge deck.

In addition to the normal replacement reserve projects, the Authority is now involved in overseeing certain aspects of the construction of the Copley Place Air Rights Project in the city of Boston. This project, with a gross building area of 3,434,060 square feet for hotel, retail, office, parking and housing uses, is scheduled to be completed by early 1984.

The Authority's primary concern and responsibility is to assure that construction will be phased in such manner as to safely maintain traffic at all

times on the Massachusetts Turnpike, ramps and connecting surface streets. In order to make the central complex of the project available for construction, a temporary Turnpike exit ramp is to be constructed to Stuart Street by crossing over the main line of the Turnpike. This temporary ramp crossing, to be in effect from early 1981 to late 1982, will ultimately become part of the permanent cover over the Turnpike.

Work on the main line of the Turnpike for the overhead covering, including the median support structure, is to be accomplished in a manner that will minimize any inconvenience to the Turnpike motorist. Three full lanes of traffic will be maintained in each roadway during the peak commuter hours. Work requiring the erection of the cover over the Turnpike will be accomplished after midnight when light traffic will be detoured.

SAFETY RECORD

I am pleased to note that the 1980 fatality rate of .82 per 100 million miles traveled is a new record for the Massachusetts Turnpike, surpassing the previous record of .99 established in 1978. Also, the rate of persons injured per 100 million miles was reduced from a previous record low of 28 in 1979 to a new record of 25 in 1980. The total number of accidents reported decreased from 1,238 in 1979 to 1,175 in 1980.

A total of 46,499 citations for moving violations were issued in 1980 by Troop E of the Massachusetts State Police as compared with 42,942 in 1979.

We attribute this fine safety record to the Authority policy of strict enforcement of the 55 mph speed limit. The high visibility of state police enforcing this speed limit has reduced the average vehicle speed; this results in more reaction time for motorists in critical situations, thereby reducing the potential of serious personal injury.

My congratulations again to the uniformed members of Troop E and to its assigned civilian employees for their dedication in making the Massachusetts Turnpike one of the safest highways in the country.

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EMPLOYEE RELATIONS

In accordance with the Authority's Length-of-Service Award Procedure, the following employees were awarded service emblems in 1980: Twenty-Five years of service: Mary C. Ahern, Ann P. Cassidy, Melvin C. Crain, Richard H. Fitzgerald, Helen E. Healy, Thomas A. Kelley, Ethel K. McCluskey, Raymond J. McInnis, John K. Schaffner, Walter A. Wright. Twenty years of service: Edmund J. Buchanan, Charles M. Carnevale, Catherine J. Diehl, Edward K. Porter, Donald T. Thurber. Fifteen years of service: Christopher G. Barlas, Robert J. Boyle, Patrick J. Buckley, James F. Cahill, Arthur Cloutier, George J. Collins, John J. Cronin, Patrick M. Curran, Charles G. Dolan, Edward A. Donahue, William P. Driscoll, Paul R. Epstein, Antonio D. Giannoccaro, Donald G. Gibson, Alfred F. Gigli, Jr., Edmund D. Grammer, Vincent E. Maillet, Roy F. MacDonald, Patricia M. McDonald, Robert J. McGranachan, Harold T. Moore, Joseph F. Quinn, Philip J. Romano, Charles Sciortino, Nicholas D. Spolsino, Joseph F. Whelan, Arthur A. Wright, John J. Wright.

During 1980, the following employees retired from the service of the Massachusetts Turnpike Authority: **Administration** — Robert W. Gallagher, director of personnel, Albert P. Manzi, vice chairman; **Data Processing** — Richard J. Schwener, toll audit clerk; **State Police** — James E. O'Toole, supervisor of patron services; **Toll Collection** — James P. Broderick, toll collector, Howard J. Dengler, toll collector, Thomas F. Ford, toll collector, Armando Grasso, toll collector, Nathan Heifetz, toll collector, John J. Jordan, toll collector, John J. Kaczmarek, toll collector, Ola A. Mason, toll collector, Robert J. McGranachan, toll collector, Gildo O. Neri, senior toll collector, Lester Rimmer, toll collector, John K. Schaffner, section supervisor of tolls, Francis E. Scully, toll collector, Charles P. Wood, toll collector, Walter A. Wright, Jr., courier, John I. Zagrocki, toll collector; **Engineering & Maintenance** — Cortland W. Barry, foreman of maintenance mechanics, Henry J. Cohan, foreman of building maintenance, Leonard H. Cote, janitor, Luigi Cuzzi, storekeeper, Alemer J. Heck, first class mechanic, Chester P. Henley, maintenance man, Warren S. Johnsen, building

mechanic skilled, Bernard J. Lamery, construction inspector, Rosaire N. Lemire, maintenance man, Pasquale Maniscalco, janitor, Edward N. Paquette, first class mechanic, Eugene J. Robichaud, light equipment operator, Michael J. Tranghese, construction inspector, Floyd C. Van Etten, first class mechanic, Athanasios P. Velis, janitor, Donald M. Williams, assistant foreman, John J. Wright, foreman of building maintenance, Peter C. Zaveruka, maintenance clerk; **Tunnels Division** — Vincent P. Clar, toll collector, Herbert C. Gould, toll collector, Armando Grasso, toll collector, David Maltzman, toll collector, Daniel F. O'Leary, plaza supervisor, James A. Peddle, maintenance man, John J. Reilly, janitor, John F. Russell, Jr., toll recording equipment technician.

IN MEMORIAM

<u>NAME</u>	<u>JOB CLASSIFICATION</u>	<u>DATE OF DEATH</u>
Vincent J. Atkinson	Toll Collector	02/29/80
Victor T. Pelosi	Plaza Supervisor	02/29/80
Edmund J. Dymek*	Toll Collector	03/10/80
Lawrence M. Costello*	Toll Collector	05/10/80
Leon M. Dias	Toll Collector	05/13/80
Peter A. Caruso	Emergency Service Patrolman	06/21/80
Frank Biscardi	Senior Maintenance Clerk	08/10/80
John Beatrice	Toll Collector	08/11/80
Albert F. Campers*	Supervisor of Motor Equipment	08/29/80
Vincent P. Clark*	Toll Collector	11/02/80
Antonio DeLuca*	Mechanic	12/31/80

*Retiree

The first part of the paper discusses the importance of the study and the objectives of the research. It also provides a brief overview of the methodology used in the study. The second part of the paper presents the results of the study, which are discussed in detail in the following sections. The third part of the paper discusses the implications of the study and the conclusions drawn from the research.

1. Introduction

Year	Country	Value
2000	USA	1.2
2001	USA	1.3
2002	USA	1.4
2003	USA	1.5
2004	USA	1.6
2005	USA	1.7
2006	USA	1.8
2007	USA	1.9
2008	USA	2.0
2009	USA	2.1
2010	USA	2.2
2011	USA	2.3
2012	USA	2.4
2013	USA	2.5
2014	USA	2.6
2015	USA	2.7
2016	USA	2.8
2017	USA	2.9
2018	USA	3.0
2019	USA	3.1
2020	USA	3.2

The results of the study show that there is a significant positive correlation between the variables studied. This finding is consistent with the theoretical framework proposed in the study. The study also found that the relationship between the variables is stronger in certain contexts than in others. These findings have important implications for the understanding of the phenomenon being studied and for the development of future research.

The study also found that the relationship between the variables is stronger in certain contexts than in others. These findings have important implications for the understanding of the phenomenon being studied and for the development of future research. The study also found that the relationship between the variables is stronger in certain contexts than in others. These findings have important implications for the understanding of the phenomenon being studied and for the development of future research.

The Turnpike Credit Union has grown steadily since it was first established in February, 1974. As of December 31, 1980, 720 employees of the Authority were members with share account deposits totaling \$660,799. Assets increased from \$713,934 in 1979 to \$960,502 in 1980. \$37,884 in dividends were paid to members during 1980. In May, 1980 term deposits were offered to members and these deposits total \$109,723 at year end.

AFFIRMATIVE ACTION AND EQUAL EMPLOYMENT OPPORTUNITY

The Authority continues to make progress in meeting the objectives and goals of its Equal Employment Opportunity and Affirmative Action programs. With respect to the Authority's replacement reserve projects, of the total labor force payroll of \$1,171,877 on 14 construction contracts in progress in 1980, the minority portion of the payroll amounted to \$212,622, or 18.1%. Additionally, two minority firms were low bidders and awarded construction contracts totaling \$359,346. Seven minority business enterprises shared a total of \$162,142 in purchase of goods and services under the Authority's Minority Business Purchasing Program. Minority and female employees represented 9% and 13%, respectively, of the Authority's total work force as of the end of 1980. In accordance with the provisions of the Copley Place Lease, the Authority is responsible for and is actively involved in monitoring compliance by contractors for the lessor relative to the affirmative action obligations as set forth in the lease.

BUSINESS OUTLOOK

Last year I noted that action taken to increase its revenue base would position the Authority to fulfill its public and financial obligations regardless of the economic turn of events in 1980. Such proved to be the case and, with the favorable economic climate in Massachusetts as compared to the rest of the nation, the Authority achieved its best year ever despite decreased traffic volumes, particularly commercial traffic.

Next year the Authority is again confronted by uncertainty as to the success of the economic proposals emanating from Washington and the effect on the economy in Massachusetts of Proposition 2½, an Initiative law requiring local tax reduction.

The prospects for 1981, therefore, are again uncertain and provide a new challenge in which management proficiency and ingenuity must be called upon to produce good and not merely mediocre, operating results. The Authority accepts that challenge.

My thanks go out to Governor Edward J. King, to the legislative branches of the Commonwealth, to trustee, principal underwriters and bond holders for their continuing confidence in the administration of the Massachusetts Turnpike Authority. My thanks, too, are expressed to the dedicated employees for their substantial contributions to the success of the Authority and to all those who patronize our services.

JOHN T. DRISCOLL
Chairman
February 28, 1981

MEMORANDUM

TO : The President
FROM : The Secretary
SUBJECT: [Illegible]

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Very truly yours,
[Illegible Signature]

CHARLES E. DI PESA & Co.

CERTIFIED PUBLIC ACCOUNTANTS

10 HIGH STREET

BOSTON, MASS. 02110

CHARLES E. DIPESA, C. P. A.
WILLIAM F. DIPESA, C. P. A.
JOHN F. OTERI, C. P. A.

MEMBERS
A. I. C. P. A.
MASS. C. P. A.
N. A. A.

617-423-3555

February

20

1981

Members of the Board
Massachusetts Turnpike Authority
Boston, Massachusetts 02199

Gentlemen:

We have examined the combined statement of condition of the Massachusetts Turnpike Authority as of December 31, 1980 and the related combined statement of revenues and expenses and combined analysis of fund balances for the year then ended pursuant to the Trust Agreements. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As more fully described in the footnotes, the Authority's policy is to prepare its financial statements on the basis of accounting practices prescribed by the Trust Agreements. These practices vary in some respects from generally accepted accounting principles but are in accordance with practices followed by similar entities.

In our opinion, the aforementioned financial statements present fairly the financial position of the Massachusetts Turnpike Authority as of December 31, 1980, and the revenues and expenses and analysis of fund balances for the year then ended in conformity with the provisions of the Trust Agreements and is consistent with that of the preceding year. The current year's supplementary data have been subjected to the same auditing tests and procedures and, in our opinion, are stated fairly in all material respects when considered in conjunction with the financial statements taken as a whole.

Respectfully submitted,

CHARLES E. DI PESA & CO.

William F. Dipesa
Certified Public Accountant

THE JOURNAL OF THE
ROYAL ANTHROPOLOGICAL INSTITUTE

Volume 100
Part 1
1970

London
1970

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2	Volume 100
3	Part 1
4	1970
5	London
6	1970
7	CONTENTS
8	1. THE JOURNAL OF THE ROYAL ANTHROPOLOGICAL INSTITUTE
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MASSACHUSETTS TURNPIKE AUTHORITY
COMBINED STATEMENT OF CONDITION
AS OF DECEMBER 31, 1979 and 1980

<u>Assets</u>	<u>1979</u>	<u>1980</u>
Cash	\$ 9,275,638	\$ 11,054,037
Investments	34,286,285	34,838,874
Accrued Interest on Investments	488,324	415,151
Accounts Receivable	1,233,612	1,586,579
Inventories	427,940	475,274
Deposits, Prepaid and Deferred Items	663,092	865,722
Escrow Funds	477,919	37,450
Cost of Initial Turnpike, Boston Extension and Callahan-Sumner Tunnels to Date	<u>526,400,000</u>	<u>526,400,000</u>
<u>Total Assets</u>	<u>\$573,252,810</u>	<u>\$575,673,087</u>
 <u>Liabilities and Fund Balances</u>		
Accounts Payable	\$ 406,065	\$ 1,165,093
Accrued Expenses and Payroll	1,459,142	1,051,787
Withholding from Employees	28,435	45,011
Deposits and Deferred Income	583,256	282,400
Bond Interest - Unpaid Coupons	27,738	28,642
Split Funding - Premium Deposit Reserve	97,523	106,855
Retainage	887,590	706,592
Revenue Bonds Outstanding (Schedule A)	349,019,000	323,283,000
Bond Indebtedness Retired from Revenues (Schedule A)	177,381,000	203,117,000
Fund Balances	<u>43,363,061</u>	<u>45,886,707</u>
<u>Total Liabilities and Fund Balances</u>	<u>\$573,252,810</u>	<u>\$575,673,087</u>

*The Accompanying Footnotes are an Integral
Part of these Combined Statements*

THE UNIVERSITY OF CHICAGO
DEPARTMENT OF CHEMISTRY
RESEARCH REPORT

No.	Date	Description
1	1/1/58	Received from Dr. J. H. Duerksen, University of Illinois, Urbana, Ill. 100 mg. of a white crystalline solid, mp. 100-101°C. (decolorized).
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**MASSACHUSETTS TURNPIKE AUTHORITY
COMBINED STATEMENT OF REVENUES AND EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 1979 and 1980**

<u>Revenues</u>	<u>1979</u>	<u>1980</u>
Toll Revenue (Net)	\$ 53,597,595	\$ 66,366,225
Restaurant Revenue	870,277	924,824
Service Station Revenue	1,873,057	1,670,003
Rental Income	299,207	383,893
Miscellaneous	282,293	250,623
Income from Investments:		
Revenue Fund	284,120	319,251
Replacement Reserve Fund	735,751	794,651
Bond Interest Account	590,250	678,942
Reserve Account	<u>2,036,711</u>	<u>2,200,718</u>
<u>Total Revenues</u>	<u>\$ 60,569,261</u>	<u>\$ 73,589,130</u>
 <u>Operating Expenses</u>		
Administrative	\$ 3,001,117	\$ 3,375,334
Retirement	1,737,221	1,977,533
Toll Collection	5,882,084	6,676,930
Police Patrol	2,186,913	2,077,437
Maintenance of Highway, Buildings, Tunnels and Equipment	<u>8,396,425</u>	<u>9,961,917</u>
<u>Total Operating Expenses</u>	<u>\$ 21,203,760</u>	<u>\$ 24,069,151</u>
<u>Excess of Revenues Over Operating Expenses</u>	<u>\$ 39,365,501</u>	<u>\$ 49,519,979</u>
<u>Interest Requirements</u>	<u>\$ 14,778,574</u>	<u>\$ 14,129,807</u>

**COMBINED ANALYSIS OF FUND BALANCES
FOR THE YEARS ENDED DECEMBER 31, 1979 and 1980**

	<u>1979</u>	<u>1980</u>
<u>Balances - beginning of year</u>	<u>\$ 44,291,199</u>	<u>\$ 43,363,061</u>
Excess of Revenues Over Operating Expenses for the Years Ended December 31, 1979 and 1980	39,365,501	49,519,979
<u>Totals</u>	<u>\$ 83,656,700</u>	<u>\$ 92,883,040</u>
 <u>Disbursements</u>		
Redemption of Bonds	\$ 12,581,923	\$ 23,160,029
Payment of Bond Interest		
Interest Dates	14,740,973	14,101,433
Retirement Dates	160,545	242,456
Replacement Reserve Expenditures	<u>12,810,198</u>	<u>9,492,415</u>
<u>Total Disbursements</u>	<u>\$ 40,293,639</u>	<u>\$ 46,996,333</u>
<u>Balances - end of year</u>	<u>\$ 43,363,061</u>	<u>\$ 45,886,707</u>

*The Accompanying Footnotes are an Integral
Part of these Combined Statements*

THE HISTORY OF THE
 REFORMATION IN THE
 CHURCH OF ENGLAND

1517	1518	1519	1520	1521	1522	1523	1524	1525	1526	1527	1528	1529	1530	1531	1532	1533	1534	1535	1536	1537	1538	1539	1540	1541	1542	1543	1544	1545	1546	1547	1548	1549	1550	1551	1552	1553	1554	1555	1556	1557	1558	1559	1560	1561	1562	1563	1564	1565	1566	1567	1568	1569	1570	1571	1572	1573	1574	1575	1576	1577	1578	1579	1580	1581	1582	1583	1584	1585	1586	1587	1588	1589	1590	1591	1592	1593	1594	1595	1596	1597	1598	1599	1600	1601	1602	1603	1604	1605	1606	1607	1608	1609	1610	1611	1612	1613	1614	1615	1616	1617	1618	1619	1620	1621	1622	1623	1624	1625	1626	1627	1628	1629	1630	1631	1632	1633	1634	1635	1636	1637	1638	1639	1640	1641	1642	1643	1644	1645	1646	1647	1648	1649	1650	1651	1652	1653	1654	1655	1656	1657	1658	1659	1660	1661	1662	1663	1664	1665	1666	1667	1668	1669	1670	1671	1672	1673	1674	1675	1676	1677	1678	1679	1680	1681	1682	1683	1684	1685	1686	1687	1688	1689	1690	1691	1692	1693	1694	1695	1696	1697	1698	1699	1700	1701	1702	1703	1704	1705	1706	1707	1708	1709	1710	1711	1712	1713	1714	1715	1716	1717	1718	1719	1720	1721	1722	1723	1724	1725	1726	1727	1728	1729	1730	1731	1732	1733	1734	1735	1736	1737	1738	1739	1740	1741	1742	1743	1744	1745	1746	1747	1748	1749	1750	1751	1752	1753	1754	1755	1756	1757	1758	1759	1760	1761	1762	1763	1764	1765	1766	1767	1768	1769	1770	1771	1772	1773	1774	1775	1776	1777	1778	1779	1780	1781	1782	1783	1784	1785	1786	1787	1788	1789	1790	1791	1792	1793	1794	1795	1796	1797	1798	1799	1800	1801	1802	1803	1804	1805	1806	1807	1808	1809	1810	1811	1812	1813	1814	1815	1816	1817	1818	1819	1820	1821	1822	1823	1824	1825	1826	1827	1828	1829	1830	1831	1832	1833	1834	1835	1836	1837	1838	1839	1840	1841	1842	1843	1844	1845	1846	1847	1848	1849	1850	1851	1852	1853	1854	1855	1856	1857	1858	1859	1860	1861	1862	1863	1864	1865	1866	1867	1868	1869	1870	1871	1872	1873	1874	1875	1876	1877	1878	1879	1880	1881	1882	1883	1884	1885	1886	1887	1888	1889	1890	1891	1892	1893	1894	1895	1896	1897	1898	1899	1900	1901	1902	1903	1904	1905	1906	1907	1908	1909	1910	1911	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	2426	2427	2428	2429	2430	2431	2432	2433	2434	2435	2436	2437	2438	2439	2440	2441	2442	2443	2444	2445	2446	2447	2448	2449	2450	2451	2452	2453	2454	2455	2456	2457	2458	2459	2460	2461	2462	2463	2464	2465	2466	2467	2468	2469	2470	2471	2472	2473	2474	2475	2476	2477	2478	2479	2480	2481	2482	2483	2484	2485	2486	2487	2488	2489	2490	2491	2492	2493	2494	2495	2496	2497	2498	2499	2500	2501	2502	2503	2504	2505	2506	2507	2508	2509	2510	2511	2512	2513	2514	2515	2516	2517	2518	2519	2520	2521	2522	2523	2524	2525	2526	2527	2528	2529	2530	2531	2532	2533	2534	2535	2536	2537	2538	2539	2540	2541	2542	2543	2544	2545	2546	2547	2548	2549	2550	2551	2552	2553	2554	2555	2556	2557	2558	2559	2560	2561	2562	2563	2564	2565	2566	2567	2568	2569	2570	2571	2572	2573	2574	2575	2576	2577	2578	2579	2580	2581	2582	2583	2584	2585	2586	2587	2588	2589	2590	2591	2592	2593	2594	2595	2596	2597	2598	2599	2600	2601	2602	2603	2604	2605	2606	2607	2608	2609	2610	2611	2612	2613	2614	2615	2616	2617	2618	2619	2620	2621	2622	2623	2624	2625	2626	2627	2628	2629	2630	2631	2632	2633	2634	2635	2636	2637	2638	2639	2640	2641	2642	2643	2644	2645	2646	2647	2648	2649	2650	2651	2652	2653	2654	2655	2656	2657	2658	2659	2660	2661	2662	2663	2664	2665	2666	2667	2668	2669	2670	2671	2672	2673	2674	2675	2676	2677	2678	2679	2680	2681	2682	2683	2684	2685	2686	2687	2688	2689	2690	2691	2692	2693	2694	2695	2696	2697	2698	2699	2700	2701	2702	2703	2704	2705	2706	2707	2708	2709	2710	2711	2712	2713	2714	2715	2716	2717	2718	2719	2720	2721	2722	2723	2724	2725	2726	2727	2728	2729	2730	2731	2732	2733	2734	2735	2736	2737	2738	2739	2740	2741	2742	2743	2744	2745	2746	2747	2748	2749	2750	2751	2752	2753	2754	2755	2756	2757	2758	2759	2760	2761	2762	2763	2764	2765	2766	2767	2768	2769	2770	2771	2772	2773	2774	2775	2776	2777	2778	2779	2780	2781	2782	2783	2784	2785	2786	2787	2788	2789	2790	2791	2792	2793	2794	2795	2796	2797	2798	2799	2800	2801	2802	2803	2804	2805	2806	2807	2808	2809	2810	2811	2812	2813	2814	2815	2816	2817	2818	2819	2820	2821	2822	2823	2824	2825	2826	2827	2828	2829	2830	2831	2832	2833	2834	2835	2836	2837	2838	2839	2840	2841	2842	2843	2844	2845	2846	2847	2848	2849	2850	2851	2852	2853	2854	2855	2856	2857	2858	2859	2860	2861	2862	2863	2864	2865	2866	2867	2868	2869	2870	2871	2872	2873	2874	2875	2876	2877	2878	2879	2880	2881
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MASSACHUSETTS TURNPIKE AUTHORITY
INITIAL TURNPIKE
STATEMENT OF CONDITION
AS OF DECEMBER 31, 1979 and 1980

<u>Assets</u>	<u>1979</u>	<u>1980</u>
Cash	\$ 2,407,648	\$ 3,304,627
Investments	14,468,780	13,999,551
Accrued Interest on Investments	213,153	140,044
Accounts Receivable	1,131,334	1,438,136
Inventories	386,388	454,918
Deposits, Prepaid and Deferred Items	174,899	356,786
Escrow Funds	477,919	37,450
Due from Other Funds	434,183	614,162
Cost of Turnpike to Date	<u>254,000,000</u>	<u>254,000,000</u>
<u>Total Assets</u>	<u>\$273,694,304</u>	<u>\$274,345,674</u>
 <u>Liabilities and Fund Balances</u>		
Accounts Payable	\$ 265,186	\$ 879,828
Accrued Expenses and Payroll	795,502	555,110
Withholding from Employees	28,435	45,011
Deposits and Deferred Income	481,447	48,999
Bond Interest - Unpaid Coupons	17,012	20,130
Due to Other Funds	369,503	581,637
Retainage	705,993	600,459
Split Funding - Premium Deposit Reserve	97,523	106,855
Turnpike Revenue Bonds:		
1954 Series — 3.3% — 239M		
Dated May 1, 1954		
Due May 1, 1994		
Bonds Outstanding	93,937,000	72,313,000
Bonds Purchased and Retired	145,063,000	166,687,000
1968 Series — 5¼% — 15M		
Dated November 1, 1968		
Due May 1, 2008		
Bonds Outstanding	8,725,000	8,130,000
Bonds Purchased and Retired	6,275,000	6,870,000
Fund Balances	<u>16,933,703</u>	<u>17,507,645</u>
<u>Total Liabilities and Fund Balances</u>	<u>\$273,694,304</u>	<u>\$274,345,674</u>

*The Accompanying Footnotes are an Integral
Part of these Combined Statements*

**MASSACHUSETTS TURNPIKE AUTHORITY
INITIAL TURNPIKE
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 1979 and 1980**

<u>Revenues</u>	<u>1979</u>	<u>1980</u>
Toll Revenue (Net)	\$ 30,718,631	\$ 38,578,488
Restaurant Revenue	870,277	924,824
Service Station Revenue	1,873,057	1,670,003
Miscellaneous	201,236	222,611
Income from Investments:		
Revenue Fund	224,448	257,700
Replacement Reserve Fund	600,569	643,339
Bond Interest Account	197,876	192,840
Reserve Account	634,840	662,011
<u>Total Revenues</u>	<u>\$ 35,320,934</u>	<u>\$ 43,151,816</u>
 <u>Operating Expenses</u>		
Administrative	\$ 1,865,264	\$ 2,167,369
Retirement	1,038,012	1,148,050
Toll Collection	3,541,076	4,012,563
Police Patrol	1,910,173	1,743,716
Engineering and Maintenance	6,032,817	7,168,300
<u>Total Operating Expenses</u>	<u>\$ 14,387,342</u>	<u>\$ 16,239,998</u>
<u>Excess of Revenues Over Operating Expenses</u>	<u>\$ 20,933,592</u>	<u>\$ 26,911,818</u>
<u>Interest Requirements</u>	<u>\$ 3,844,874</u>	<u>\$ 3,333,073</u>
<u>Percentage of Interest Earned</u>	<u>544.45</u>	<u>807.42</u>

**INITIAL TURNPIKE, CHAPTER 354 of the ACTS of 1952
ANALYSIS OF FUND BALANCES
FOR THE YEARS ENDED DECEMBER 31, 1979 and 1980**

	<u>1979</u>	<u>1980</u>
<u>Balances - beginning of year</u>	<u>\$ 18,984,036</u>	<u>\$ 16,933,703</u>
Excess of Revenue Over Operating Expenses for the Years Ended December 31, 1979 and 1980	20,933,592	26,911,818
Transfers		
Excess Revenue Transferred from Boston Extension for Bond Redemption	634,513	4,822,276
<u>Totals</u>	<u>\$ 40,552,141</u>	<u>\$ 48,667,797</u>
 <u>Disbursements</u>		
Redemption of Bonds	\$ 10,193,134	\$ 20,225,354
Payment of Bond Interest		
Interest Dates	3,808,800	3,299,242
Retirement Dates	122,137	198,242
Replacement Reserve Expenditures	9,494,367	7,437,314
<u>Total Disbursements</u>	<u>\$ 23,618,438</u>	<u>\$ 31,160,152</u>
<u>Balances - end of year</u>	<u>\$ 16,933,703</u>	<u>\$ 17,507,645</u>

*The Accompanying Footnotes are an Integral
Part of these Combined Statements*

MASSACHUSETTS TURNPIKE AUTHORITY
BOSTON EXTENSION
STATEMENT OF CONDITION
AS OF DECEMBER 31, 1979 and 1980

<u>Assets</u>	<u>1979</u>	<u>1980</u>
Cash	\$ 6,213,703	\$ 7,026,228
Investments	14,721,022	15,589,975
Accrued Interest on Investments	224,444	234,875
Accounts Receivable	47,746	82,908
Inventories	40,443	18,400
Deposits, Prepaid and Deferred Items	61,217	186,485
Due from Other Funds	152,741	165,532
Cost of Boston Extension to Date	<u>218,000,000</u>	<u>218,000,000</u>
<u>Total Assets</u>	<u>\$239,461,316</u>	<u>\$241,304,403</u>
 <u>Liabilities and Fund Balances</u>		
Accounts Payable	\$ 96,851	\$ 174,553
Accrued Expenses and Payroll	324,098	206,852
Deposits and Deferred Income	30,849	136,811
Bond Interest - Unpaid Coupons	7,971	6,232
Due to Other Funds	236,834	199,162
Retainage	181,597	106,133
Boston Extension Revenue Bonds:		
1962 Series — 218M		
Dated January 1, 1962		
Due January 1, 2002		
Bonds Outstanding:		
Series A — 4¾%	100,000,000	100,000,000
Series A — 4.15%	38,000,000	38,000,000
Series B — 4-5%	80,000,000	80,000,000
Fund Balances	<u>20,583,116</u>	<u>22,474,660</u>
<u>Total Liabilities and Fund Balances</u>	<u>\$239,461,316</u>	<u>\$241,304,403</u>

*The Accompanying Footnotes are an Integral
Part of these Combined Statements*

THE UNIVERSITY OF CHICAGO
DEPARTMENT OF CHEMISTRY
RESEARCH REPORT
NO. 1000

1. Name of the compound	2. Molecular weight	3. Boiling point
4. Melting point	5. Density	6. Refractive index
7. Solubility	8. Infrared spectrum	9. NMR spectrum
10. Mass spectrum	11. Elemental analysis	12. Other data

**MASSACHUSETTS TURNPIKE AUTHORITY
BOSTON EXTENSION
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 1979 and 1980**

<u>Revenues</u>	<u>1979</u>	<u>1980</u>
Toll Revenue (Net)	\$ 15,834,709	\$ 19,893,435
Rental Income	238,707	323,393
Miscellaneous	76,043	28,007
Income from Investments:		
Revenue Fund	29,882	31,574
Replacement Reserve Fund	71,554	87,001
Bond Interest Account	325,987	398,615
Reserve Account	<u>1,080,881</u>	<u>1,210,369</u>
<u>Total Revenues</u>	<u>\$ 17,657,763</u>	<u>\$ 21,972,394</u>
 <u>Operating Expenses</u>		
Administrative	\$ 722,589	\$ 756,324
Retirement	370,204	378,744
Toll Collection	1,263,345	1,425,243
Police Patrol	206,445	236,945
Maintenance of Highway, Buildings and Equipment	<u>1,216,791</u>	<u>1,458,904</u>
<u>Total Operating Expenses</u>	<u>\$ 3,779,374</u>	<u>\$ 4,256,160</u>
<u>Excess of Revenues Over Operating Expenses</u>	<u>\$ 13,878,389</u>	<u>\$ 17,716,234</u>
 <u>Interest Requirements</u>	<u>\$ 9,527,000</u>	<u>\$ 9,527,000</u>
 <u>Percentage of Interest Earned</u>	<u>145.67</u>	<u>185.96</u>

**BOSTON EXTENSION, CHAPTER 354 of the ACTS of 1952
ANALYSIS OF FUND BALANCES
FOR THE YEARS ENDED DECEMBER 31, 1979 and 1980**

	<u>1979</u>	<u>1980</u>
<u>Balances - beginning of year</u>	<u>\$ 19,746,495</u>	<u>\$ 20,583,116</u>
Excess of Revenue Over Operating Expenses for the Years Ended December 31, 1979 and 1980	<u>13,878,389</u>	<u>17,716,234</u>
<u>Totals</u>	<u>\$ 33,624,884</u>	<u>\$ 38,299,350</u>
 <u>Disbursements</u>		
Payment of Bond Interest	\$ 9,527,000	\$ 9,527,000
Replacement Reserve Expenditures	2,880,255	1,475,414
Transfers		
Excess Revenue Transferred to Initial Turnpike for Bond Redemption	<u>634,513</u>	<u>4,822,276</u>
<u>Total Disbursements</u>	<u>\$ 13,041,768</u>	<u>\$ 15,824,690</u>
<u>Balances - end of year</u>	<u>\$ 20,583,116</u>	<u>\$ 22,474,660</u>

*The Accompanying Footnotes are an Integral
Part of these Combined Statements*

MASSACHUSETTS TURNPIKE AUTHORITY
CALLAHAN-SUMNER TUNNELS
STATEMENT OF CONDITION
AS OF DECEMBER 31, 1979 and 1980

<u>Assets</u>	<u>1979</u>	<u>1980</u>
Cash	\$ 654,287	\$ 723,182
Investments	5,096,483	5,249,348
Accrued Interest on Investments	50,727	40,232
Accounts Receivable	54,532	65,535
Inventories	1,109	1,956
Deposits, Prepaid and Deferred Items	426,976	322,451
Due from Other Funds	80,383	54,070
Cost of Tunnel to Date	<u>54,400,000</u>	<u>54,400,000</u>
<u>Total Assets</u>	<u>\$ 60,764,497</u>	<u>\$ 60,856,774</u>
 <u>Liabilities and Fund Balances</u>		
Accounts Payable	\$ 44,028	\$ 110,712
Accrued Expenses and Payroll	339,542	289,825
Deposits and Deferred Income	70,960	96,590
Bond Interest - Unpaid Coupons	2,755	2,280
Due to Other Funds	60,970	52,965
Tunnel Revenue Bonds:		
1959 Series — 54.4M		
Dated April 1, 1959		
Due April 1, 1999		
Bonds Outstanding:		
4¾%	26,757,000	23,740,000
4¼%	1,600,000	1,100,000
Bonds Purchased and Retired — 4¾%	26,043,000	29,060,000
Bonds Purchased and Retired — 4¼%	—	500,000
Fund Balances	<u>5,846,242</u>	<u>5,904,402</u>
<u>Total Liabilities and Fund Balances</u>	<u>\$ 60,764,497</u>	<u>\$ 60,856,774</u>

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Part of these Combined Statements*

THE UNIVERSITY OF CHICAGO
DIVISION OF THE PHYSICAL SCIENCES
DEPARTMENT OF CHEMISTRY
JANUARY 1960

1. The first part of the report describes the experimental work done during the past year. The results are presented in the form of tables and graphs.

2. The second part of the report discusses the theoretical aspects of the problem. The calculations are carried out using the method of moments.

3. The third part of the report contains a summary of the results and a discussion of the conclusions. The results are compared with those obtained by other workers in the field.

4. The fourth part of the report contains a list of references and a list of symbols used in the report.

5. The fifth part of the report contains a list of figures and a list of tables.

6. The sixth part of the report contains a list of appendices and a list of footnotes.

7. The seventh part of the report contains a list of errata and a list of corrections.

8. The eighth part of the report contains a list of acknowledgments and a list of dedications.

9. The ninth part of the report contains a list of references and a list of symbols used in the report.

10. The tenth part of the report contains a list of references and a list of symbols used in the report.

MASSACHUSETTS TURNPIKE AUTHORITY
CALLAHAN-SUMNER TUNNELS
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 1979 and 1980

<u>Revenues</u>	<u>1979</u>	<u>1980</u>
Toll Revenue (Net)	\$ 7,044,255	\$ 7,894,302
Rental Income	60,500	60,500
Miscellaneous	5,014	5
Income from Investments:		
Revenue Fund	29,790	29,977
Replacement Reserve Fund	63,628	64,311
Bond Interest Account	66,387	87,487
Reserve Account	320,990	328,338
<u>Total Revenues</u>	<u>\$ 7,590,564</u>	<u>\$ 8,464,920</u>
<u>Operating Expenses</u>		
Administrative	\$ 413,264	\$ 451,641
Retirement	329,005	450,739
Toll Collection	1,077,663	1,239,124
Police Patrol	70,295	96,776
Maintenance and Operation of Tunnels	1,146,817	1,334,713
<u>Total Operating Expenses</u>	<u>\$ 3,037,044</u>	<u>\$ 3,572,993</u>
<u>Excess of Revenues Over Operating Expenses</u>	<u>\$ 4,553,520</u>	<u>\$ 4,891,927</u>
<u>Interest Requirements</u>	<u>\$ 1,406,700</u>	<u>\$ 1,269,734</u>
<u>Percentage of Interest Earned</u>	<u>323.70</u>	<u>385.27</u>

CALLAHAN-SUMNER TUNNELS
ANALYSIS OF FUND BALANCES
FOR THE YEARS ENDED DECEMBER 31, 1979 and 1980

	<u>1979</u>	<u>1980</u>
<u>Balances - beginning of year</u>	<u>\$ 5,560,668</u>	<u>\$ 5,846,242</u>
Excess of Revenues Over Operating Expenses for the Years Ended December 31, 1979 and 1980	4,553,520	4,891,927
<u>Totals</u>	<u>\$ 10,114,188</u>	<u>\$ 10,738,169</u>
<u>Disbursements</u>		
Redemption of Bonds	\$ 2,388,789	\$ 2,934,675
Payment of Bond Interest		
Interest Dates	1,405,173	1,275,194
Retirement Dates	38,408	44,211
Replacement Reserve Expenditures	435,576	579,687
<u>Total Disbursements</u>	<u>\$ 4,267,946</u>	<u>\$ 4,833,767</u>
<u>Balances - end of year</u>	<u>\$ 5,846,242</u>	<u>\$ 5,904,402</u>

*The Accompanying Footnotes are an Integral
Part of these Combined Statements*

THE UNIVERSITY OF CHICAGO
DEPARTMENT OF CHEMISTRY
RECORD OF RESEARCH

NAME		ADDRESS		CITY		STATE		COUNTRY	
1. NAME		2. ADDRESS		3. CITY		4. STATE		5. COUNTRY	
6. PHONE		7. FAX		8. E-MAIL		9. RESEARCH INTERESTS		10. REFERENCES	
11. COMMENTS		12. COMMENTS		13. COMMENTS		14. COMMENTS		15. COMMENTS	
16. COMMENTS		17. COMMENTS		18. COMMENTS		19. COMMENTS		20. COMMENTS	
21. COMMENTS		22. COMMENTS		23. COMMENTS		24. COMMENTS		25. COMMENTS	
26. COMMENTS		27. COMMENTS		28. COMMENTS		29. COMMENTS		30. COMMENTS	
31. COMMENTS		32. COMMENTS		33. COMMENTS		34. COMMENTS		35. COMMENTS	
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51. COMMENTS		52. COMMENTS		53. COMMENTS		54. COMMENTS		55. COMMENTS	
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61. COMMENTS		62. COMMENTS		63. COMMENTS		64. COMMENTS		65. COMMENTS	
66. COMMENTS		67. COMMENTS		68. COMMENTS		69. COMMENTS		70. COMMENTS	
71. COMMENTS		72. COMMENTS		73. COMMENTS		74. COMMENTS		75. COMMENTS	
76. COMMENTS		77. COMMENTS		78. COMMENTS		79. COMMENTS		80. COMMENTS	
81. COMMENTS		82. COMMENTS		83. COMMENTS		84. COMMENTS		85. COMMENTS	
86. COMMENTS		87. COMMENTS		88. COMMENTS		89. COMMENTS		90. COMMENTS	
91. COMMENTS		92. COMMENTS		93. COMMENTS		94. COMMENTS		95. COMMENTS	
96. COMMENTS		97. COMMENTS		98. COMMENTS		99. COMMENTS		100. COMMENTS	

MASSACHUSETTS TURNPIKE AUTHORITY
COMBINED BOND INDEBTEDNESS — DECEMBER 31, 1980
BONDS OUTSTANDING AND RETIRED FROM REVENUE

Schedule A

(With Comparative Figures for 1979)

	Original Amount Authorized and Issued	Acquired and Cancelled in Prior Years	Amount Outstanding 12/31/79	Acquired by Sinking Fund and Cancelled During 1980	Amount Outstanding 12/31/80
Initial Turnpike Revenue Bond					
Series 1954 — 3.30%					
Dated May 1, 1954					
Due May 1, 1994	\$239,000,000	\$145,063,000	\$ 93,937,000	\$ 21,624,000	\$ 72,313,000
Series 1968 — 5¼%					
Dated November 1, 1968					
Due May 1, 2008	<u>15,000,000</u>	<u>6,275,000</u>	<u>8,725,000</u>	<u>595,000</u>	<u>8,130,000</u>
	<u>\$254,000,000</u>	<u>\$151,338,000</u>	<u>\$102,662,000</u>	<u>\$ 22,219,000</u>	<u>\$ 80,443,000</u>
Boston Extension Revenue Bond					
Series 1962					
Dated January 1, 1962					
Due January 1, 2002					
Series A — 4¾%	\$100,000,000	—	\$100,000,000	—	\$100,000,000
Series A — 4.15%	38,000,000	—	38,000,000	—	38,000,000
Series B — 4-5%	<u>80,000,000</u>	<u>—</u>	<u>80,000,000</u>	<u>—</u>	<u>80,000,000</u>
	<u>\$218,000,000</u>	<u>—</u>	<u>\$218,000,000</u>	<u>—</u>	<u>\$218,000,000</u>
Callahan-Sumner Tunnels Revenue Bond					
Series 1959					
Dated April 1, 1959					
Due April 1, 1999					
4¾%	\$ 52,800,000	\$ 26,043,000	\$ 26,757,000	\$ 3,017,000	\$ 23,740,000
4¼%	<u>1,600,000</u>	<u>—</u>	<u>1,600,000</u>	<u>500,000</u>	<u>1,100,000</u>
	<u>\$ 54,400,000</u>	<u>\$ 26,043,000</u>	<u>\$ 28,357,000</u>	<u>\$ 3,517,000</u>	<u>\$ 24,840,000</u>
TOTAL BONDS	<u>\$526,400,000</u>	<u>\$177,381,000</u>	<u>\$349,019,000</u>	<u>\$ 25,736,000</u>	<u>\$323,283,000</u>

*The Accompanying Footnotes are an Integral
Part of these Combined Statements*

**MASSACHUSETTS TURNPIKE AUTHORITY
COMBINED REVENUES, OPERATING EXPENSES
AND BOND INTEREST REQUIREMENTS
FOR THE YEARS ENDED DECEMBER 31, 1979 and 1980**

<u>Revenues, Operating Expenses, and Net Revenues</u>	<u>Gross Revenues</u>		<u>Operating Expenses</u>		<u>Net Revenues</u>	
	<u>1979</u>	<u>1980</u>	<u>1979</u>	<u>1980</u>	<u>1979</u>	<u>1980</u>
Initial Turnpike	\$35,320,934	\$43,151,816	\$14,387,342	\$16,239,998	\$20,933,592	\$26,911,818
Callahan-Sumner Tunnels	7,590,564	8,464,920	3,037,044	3,572,993	4,553,520	4,891,927
Boston Extension	<u>17,657,763</u>	<u>21,972,394</u>	<u>3,779,374</u>	<u>4,256,160</u>	<u>13,878,389</u>	<u>17,716,234</u>
<u>Totals</u>	<u>\$60,569,261</u>	<u>\$73,589,130</u>	<u>\$21,203,760</u>	<u>\$24,069,151</u>	<u>\$39,365,501</u>	<u>\$49,519,979</u>

	<u>Net Revenues</u>		<u>Interest Requirements</u>		<u>Percentage of Interest Earned</u>	
	<u>1979</u>	<u>1980</u>	<u>1979</u>	<u>1980</u>	<u>1979</u>	<u>1980</u>
Initial Turnpike	\$20,933,592	\$26,911,818	\$ 3,844,874	\$ 3,333,073	544.45	807.42
Callahan-Sumner Tunnels	4,553,520	4,891,927	1,406,700	1,269,734	323.70	385.27
Boston Extension	<u>13,878,389</u>	<u>17,716,234</u>	<u>9,527,000</u>	<u>9,527,000</u>	<u>145.67</u>	<u>185.96</u>
<u>Totals</u>	<u>\$39,365,501</u>	<u>\$49,519,979</u>	<u>\$14,778,574</u>	<u>\$14,129,807</u>	<u>266.36</u>	<u>350.46</u>

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Part of these Combined Statements*

THE UNIVERSITY OF CHICAGO
 DIVISION OF THE PHYSICAL SCIENCES
 DEPARTMENT OF CHEMISTRY
 LABORATORY OF ORGANIC CHEMISTRY
 5700 SOUTH CAMPUS DRIVE, CHICAGO, ILL. 60637

NAME		ADDRESS		CITY		STATE
Mr.	Mrs.	Mr.	Mrs.	Mr.	Mrs.	
Mr. J. H. Smith		1234 N. Main St.		Chicago		Ill.
Mr. A. B. Jones		5678 E. 1st Ave.		Chicago		Ill.
Mr. C. D. Brown		9012 W. 3rd St.		Chicago		Ill.
Mr. E. F. Green		3456 S. 5th Ave.		Chicago		Ill.

NAME		ADDRESS		CITY		STATE
Mr.	Mrs.	Mr.	Mrs.	Mr.	Mrs.	
Mr. G. H. White		7890 N. 7th St.		Chicago		Ill.
Mr. I. J. Black		2345 E. 9th Ave.		Chicago		Ill.
Mr. K. L. Gray		6789 W. 11th St.		Chicago		Ill.
Mr. M. N. Blue		1011 S. 13th Ave.		Chicago		Ill.

THE UNIVERSITY OF CHICAGO
 DIVISION OF THE PHYSICAL SCIENCES
 DEPARTMENT OF CHEMISTRY

Footnote A — General

The Authority operates three separate and financially distinct facilities, i.e., The Initial Turnpike, The Callahan-Sumner Tunnels, and The Boston Extension of the Massachusetts Turnpike. These facilities were financed by means of revenue bond issues totaling \$526,400,000. Neither the faith and credit nor the taxing power of the Commonwealth of Massachusetts or of any political subdivision thereof is pledged to the payment of the principal or interest on the bonds. The funds providing for the maintenance, operation and policing of these facilities, as well as principal and interest payments on the bond issues, are derived solely from tolls and other revenues generated by users.

Footnote B — The Enabling Act

By Chapter 354 of the Acts of 1952 of the Commonwealth of Massachusetts, the Massachusetts Turnpike Authority was duly created a body politic and corporate and a public instrumentality of the Commonwealth of Massachusetts and was authorized and empowered to construct, maintain, repair and operate a toll express highway, known as the "Massachusetts Turnpike". Chapter 598 of the Acts of 1958 authorized and empowered the Massachusetts Turnpike Authority to acquire from the city of Boston the Sumner Tunnel and to construct and operate an additional vehicular tunnel between Boston proper and East Boston (known as the Callahan Tunnel).

Footnote C — Summary of Significant Accounting Policies

1. General Accounting Practices — All accounts and records of the Authority are maintained in accordance with accounting practices consistent with the provisions of the following trust agreements: — Trust Agreement dated as of May 1, 1954, relating to the Initial Turnpike; Trust Agreement dated as of April 1, 1959, relating to Tunnel Revenue Bonds; and the Supplemental Trust Agreement dated as of January 1, 1962, relating to the Boston Extension. As a result of the terms of the bond resolutions and the related interpretation thereof, the Authority's accounting practices differ in certain respects from generally accepted accounting

principles but are in accordance with accounting practices followed by similar entities.

- 2. Combined Financial Statements** — In addition to the financial statements which are required to be presented annually for each of the three financially distinct facilities and bond issues secured by the foregoing trust agreements, the Authority, as a matter of policy and public information, also presents in its Annual Report financial statements reflecting the combined financial condition of the Initial Turnpike, Callahan-Sumner Tunnels, and Boston Extension.
- 3. Fiscal Year** — The Authority's fiscal year is the calendar year.
- 4. Method of Accounting** — The funds and accounts of the Authority are maintained on the accrual basis except for payments of bond interest which are paid out of the Sinking Fund Bond Interest Account on the cash basis.
- 5. Inventories** — Inventories consist primarily of sodium chloride, calcium chloride, sand, bulk gasoline, and highway guardrail. Inventories are valued at cost utilizing the FIFO method.
- 6. Cost of Projects** — The cost of Authority projects includes all costs for acquisition and construction, legal expenses and fees, financing charges, preparation and issuance of bonds, and all other items of expense defined and authorized in the trust agreements.
- 7. Revenues** — All monies received by the Authority are deposited with The First National Bank of Boston, Trustee, or other bank depositories, and are held in trust and applied only in accordance with the provisions of the trust agreements. All monies deposited with the Trustee, or any other depository, are continuously secured for the benefit of the Authority and bondholders by marketable securities eligible as security for the deposit of trust funds and are approved and held by The First National Bank of Boston, Trustee. On or before the fifteenth day of each month, all monies held for the credit of the revenue funds on the last day of the preceding month, less an amount held for reserve for current expenses, are transferred by the Trustee and credited to the following

and the other two articles in this special issue.

The first article, by David A. Whetten and David M. Mendenhall, discusses the importance of understanding the role of the business school in society. They argue that business schools have a responsibility to prepare students to be good citizens and to contribute to the well-being of society. They also discuss the importance of understanding the role of the business school in the economy and in the global marketplace.

The second article, by David A. Whetten and David M. Mendenhall, discusses the importance of understanding the role of the business school in society.

The third article, by David A. Whetten and David M. Mendenhall, discusses the importance of understanding the role of the business school in society.

The fourth article, by David A. Whetten and David M. Mendenhall, discusses the importance of understanding the role of the business school in society.

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The eighth article, by David A. Whetten and David M. Mendenhall, discusses the importance of understanding the role of the business school in society.

The ninth article, by David A. Whetten and David M. Mendenhall, discusses the importance of understanding the role of the business school in society.

The tenth article, by David A. Whetten and David M. Mendenhall, discusses the importance of understanding the role of the business school in society.

The eleventh article, by David A. Whetten and David M. Mendenhall, discusses the importance of understanding the role of the business school in society.

accounts or funds:

- a. To the Sinking Fund Bond Interest Accounts, such amounts, if any, as may be required to make the balances therein equal to the amount of interest which will become payable within the next ensuing six months on all bonds then outstanding;
- b. To the Replacement Reserve Funds, such amounts, if any, as may be required to make the amount deposited in each fiscal year equal to the amounts recommended by the Consulting Engineers;
- c. To the Sinking Fund Reserve Accounts, such amounts, if any, as may be required to make the amount equal to the interest reserve requirements specified in the trust agreements;
- d. In the case of the Initial Turnpike and the Callahan-Sumner Tunnels, to the Redemption Accounts, the balance, if any, remaining after making deposits under clauses a, b, and c above; and, in the case of the Boston Extension, to the Redemption Account in the Initial Turnpike Sinking Fund, the balance, if any, remaining after making the deposits under a, b, and c above until such time as all bonds issued under the 1954 Trust Agreement have been retired.

8. Operating Expenses — The term "current expenses" (operating expenses) as defined in the Trust Agreements excludes any extraordinary maintenance, repairs, or allowance for depreciation. The Agreements provide that the Authority will on or before the first day of each fiscal year adopt annual budgets. The amended annual budgets of operating expenses for 1980 for the three facilities totaled \$24,113,000 as compared to actual expenses of \$24,069,151.

- a. Retirement System — By the enactment of Chapter 597 of the Acts of 1967, and acceptance thereof by the Authority, the Commonwealth of Massachusetts created the Massachusetts Turnpike Authority Employees' Retirement System. Accordingly, effective July 1, 1968, employees of the Authority are entitled to retirement benefits in accordance with the provisions of the Massachu-

setts Contributory Retirement Law (Chapter 32 of the General Laws, Sections 1-28). Pursuant to Section 22 (7) (e) of Chapter 32, the Authority is required to pay annually to the Massachusetts Turnpike Authority Employees' Retirement System, amounts certified by the State Actuary as necessary for payment of pension benefits to retired employees of the Authority and their beneficiaries and for the expenses of said system.

As of December 31, 1979 the Authority's actuarial consultant estimated the unfunded past service liability for the three entities to be \$23,400,300. By the enactment of Chapter 566 of the Acts of 1978, amending Chapter 32 of the General Laws, provision was made for the funding of the Retirement System of the Massachusetts Turnpike Authority. Under this Amendment, the Authority is required to fund the sum of (a) the normal pension cost for the current year, and (b) an amount sufficient to amortize unfunded past service liability prior to dissolution of the Authority.

Pursuant to Chapter 597 of the Acts of 1967 and Chapter 566 of the Acts of 1968, during fiscal year 1980, \$1,254,200 was expensed to the Retirement System for the Pension and Expense Funds, and \$718,000 for past service liability.

- 9. Replacement Reserve Funds — These funds are held for the purpose of paying for the cost of resurfacing, replacement or reconstruction, usual or extraordinary maintenance or repairs, renewals and replacements, the cost of replacing equipment, engineering expenses and premiums on insurance carried under the provisions of the trust agreements. As provided in the trust agreements, the Consulting Engineers are required annually to inspect the Authority's facilities and report to the Authority their findings and recommendations as to: a) estimate of the amount necessary for proper maintenance, repair and operation during the ensuing fiscal year, b) insurance to be carried under the provisions of the trust agreements, and c) amounts to be deposited during the ensuing fiscal year to the credit of the replacement reserve funds. For fiscal year 1980, the Consulting Engineers

recommended the following amounts be deposited to the three replacement reserve funds, and such amounts were so deposited: Initial Turnpike, \$8,000,000; Callahan-Sumner Tunnels, \$600,000; and the Boston Extension, \$1,500,000.

The estimated value of contracts outstanding as of December 31, 1980 for major repairs, renewals, and replacement programs is \$712,719.

Footnote D — Sinking Fund and Net Revenue Requirements

The Trust Agreements require the Authority to take certain actions in the event the amounts deposited to the sinking funds, or net revenues in the case of the Boston Extension, are less than those referred to in Section 501 of the trust agreements. In 1980, the net revenues of the Boston Extension, were less than those referred to in the Supplemental Trust Agreement. The Authority is therefore required to request the Traffic Engineers to submit their recommendation with respect to a revision in the schedule of tolls, and the Trustee is required to notify the principal underwriters and bondholders of record of this deficiency. The Authority and the Trustee have fulfilled their respective obligations under the terms of the trust agreements and the Traffic Engineers have been so notified to submit their recommendations.

Footnote E — Lease and Installment Purchase Commitments

The Authority has entered into the following lease and installment purchase agreements which are in full force and effect as of December 31, 1980.

1. Rental of Administrative Offices in the city of Boston for the five year period terminating July 31, 1981. As of December 9, 1980 the Authority entered into a lease extension and amendment agreement for the period August 1, 1981 through July 31, 1986.
2. Installment purchases for data processing equipment — During 1976 and 1978, the Authority executed amendments to the original 1971 agreement providing for certain

enhancements and additions to existing data processing equipment. Payments under the installment purchase amendments are to be made over the respective seven year periods.

3. Lease Agreement providing for the rental of automatic toll collection equipment located at the Boston Extension and Callahan-Sumner Tunnels — The original lease agreements have been extended for a period terminating March 1, 1981 for the Boston Extension, and May 21, 1984 for the Callahan-Sumner Tunnels.

Footnote F — Boston Extension Air Rights

On January 31, 1980, the Urban Investment and Development Company entered into an amended lease with the Authority for ninety-nine years for the air rights over property located in the Copley Square area of Boston. The company will construct a hotel, retail, office and residential complex on the site. Construction of the project commenced November, 1980. The amended lease provides for revised rental payments of \$1,200,000 annually beginning with the commencement of construction and continuing through February 15, 2002. After dissolution of the Authority any subsequent lease payments will revert to the Commonwealth of Massachusetts.

Footnote G — Litigation

The Authority is contingently liable under pending litigation and/or claims in which the Authority is the defendant. In the opinion of the Authority, the total potential liability of such actions would not materially affect its financial statements.

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MASSACHUSETTS TURNPIKE AUTHORITY

INITIAL TURNPIKE

FINANCIAL RESULTS OF OPERATION

1974 — 1980

(Dollars in Thousands)

	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>
Gross Toll Revenue	\$ 25,029	\$ 25,885	\$ 27,580	\$ 29,355	\$ 31,129	\$ 31,100	\$ 39,053
Less Volume Discounts	<u>(329)</u>	<u>(275)</u>	<u>(311)</u>	<u>(325)</u>	<u>(351)</u>	<u>(381)</u>	<u>(475)</u>
Net Toll Revenue	\$ 24,700	\$ 25,610	\$ 27,269	\$ 29,030	\$ 30,778	\$ 30,719	\$ 38,578
Restaurant Revenue	656	748	767	807	863	870	925
Service Station Revenue	1,903	1,703	1,697	1,665	1,726	1,873	1,670
Miscellaneous	253	175	168	182	165	201	223
Income from Investments	<u>1,429</u>	<u>1,430</u>	<u>1,215</u>	<u>1,194</u>	<u>1,429</u>	<u>1,658</u>	<u>1,756</u>
Gross Revenues	\$ 28,941	\$ 29,666	\$ 31,116	\$ 32,878	\$ 34,961	\$ 35,321	\$ 43,152
Operating Expenses	\$ 9,376	\$ 10,162	\$ 11,140	\$ 12,118	\$ 13,247	\$ 14,387	\$ 16,240
Net Revenues	\$ 19,565	\$ 19,504	\$ 19,976	\$ 20,760	\$ 21,714	\$ 20,934	\$ 26,912
Bond Interest	\$ 5,876	\$ 5,456	\$ 5,057	\$ 4,664	\$ 4,264	\$ 3,845	\$ 3,333
Per Cent of Interest Earned	332.95	357.48	394.99	445.07	509.25	544.45	807.42
Deposits to Replacement Reserve	\$ 4,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,500	\$ 7,000	\$ 8,000
<u>\$254,000,000 Revenue Bonds</u>							
Retired During Year	\$ 12,953	\$ 12,149	\$ 11,876	\$ 11,375	\$ 12,651	\$ 11,804	\$ 22,219
Average Price Paid	76.43	76.14	84.94	91.82	92.44	86.35	91.03
Retired to Date	\$ 91,483	\$103,632	\$115,508	\$126,883	\$139,534	\$151,338	\$173,557
Per Cent Retired to Date	36.0	40.8	45.5	50.0	54.9	59.6	68.3
Bonds Outstanding	\$162,517	\$150,368	\$138,492	\$127,117	\$114,466	\$102,662	\$ 80,443

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1917	1918	1919	1920	1921	1922	1923	1924
1925	1926	1927	1928	1929	1930	1931	1932
1933	1934	1935	1936	1937	1938	1939	1940
1941	1942	1943	1944	1945	1946	1947	1948
1949	1950	1951	1952	1953	1954	1955	1956
1957	1958	1959	1960	1961	1962	1963	1964
1965	1966	1967	1968	1969	1970	1971	1972
1973	1974	1975	1976	1977	1978	1979	1980
1981	1982	1983	1984	1985	1986	1987	1988
1989	1990	1991	1992	1993	1994	1995	1996
1997	1998	1999	2000	2001	2002	2003	2004
2005	2006	2007	2008	2009	2010	2011	2012
2013	2014	2015	2016	2017	2018	2019	2020
2021	2022	2023	2024	2025	2026	2027	2028
2029	2030	2031	2032	2033	2034	2035	2036
2037	2038	2039	2040	2041	2042	2043	2044
2045	2046	2047	2048	2049	2050	2051	2052
2053	2054	2055	2056	2057	2058	2059	2060
2061	2062	2063	2064	2065	2066	2067	2068
2069	2070	2071	2072	2073	2074	2075	2076
2077	2078	2079	2080	2081	2082	2083	2084
2085	2086	2087	2088	2089	2090	2091	2092
2093	2094	2095	2096	2097	2098	2099	2100

MASSACHUSETTS TURNPIKE AUTHORITY

CALLAHAN-SUMNER TUNNELS

FINANCIAL RESULTS OF OPERATION

1974 – 1980

(Dollars in Thousands)

	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>
Net Toll Revenue	\$ 6,098	\$ 6,126	\$ 6,398	\$ 6,343	\$ 6,575	\$ 7,044	\$ 7,894
Rental & Miscellaneous Income	50	46	44	98	61	66	61
Income from Investments	<u>365</u>	<u>366</u>	<u>346</u>	<u>326</u>	<u>331</u>	<u>481</u>	<u>510</u>
Gross Revenues	\$ 6,513	\$ 6,538	\$ 6,788	\$ 6,767	\$ 6,967	\$ 7,591	\$ 8,465
Operating Expenses	\$ 2,157	\$ 2,340	\$ 2,602	\$ 2,800	\$ 2,961	\$ 3,037	\$ 3,573
Net Revenues	\$ 4,356	\$ 4,198	\$ 4,186	\$ 3,967	\$ 4,006	\$ 4,554	\$ 4,892
Bond Interest	\$ 1,924	\$ 1,825	\$ 1,722	\$ 1,622	\$ 1,524	\$ 1,407	\$ 1,270
Per Cent of Interest Earned	226.43	230.02	243.13	244.52	262.83	323.70	385.27
Deposits to Replacement Reserve	\$ 550	\$ 600	\$ 500	\$ 300	\$ 400	\$ 500	\$ 600
<u>\$54,400,000 Revenue Bonds</u>							
Retired During Year	\$ 2,118	\$ 2,080	\$ 2,228	\$ 2,033	\$ 2,288	\$ 2,570	\$ 3,517
Average Price Paid	84.67	84.88	88.70	94.43	94.19	92.95	83.44
Retired to Date	\$ 14,844	\$ 16,924	\$ 19,152	\$ 21,185	\$ 23,473	\$ 26,043	\$ 29,560
Per Cent Retired to Date	27.3	31.1	35.2	38.9	43.1	47.9	54.3
Bonds Outstanding	\$ 39,556	\$ 37,476	\$ 35,248	\$ 33,215	\$ 30,927	\$ 28,357	\$ 24,840

MASSACHUSETTS TURNPIKE AUTHORITY

BOSTON EXTENSION

FINANCIAL RESULTS OF OPERATION

1974 – 1980

(Dollars in Thousands)

	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>
Net Toll Revenue	\$ 12,642	\$ 13,024	\$ 13,861	\$ 14,575	\$ 15,339	\$ 15,835	\$ 19,893
Rental & Miscellaneous Income	160	182	193	217	188	315	351
Income from Investments	<u>960</u>	<u>920</u>	<u>988</u>	<u>1,016</u>	<u>1,119</u>	<u>1,508</u>	<u>1,728</u>
Gross Revenues	\$ 13,762	\$ 14,126	\$ 15,042	\$ 15,808	\$ 16,646	\$ 17,658	\$ 21,972
Operating Expenses	\$ 2,488	\$ 2,671	\$ 2,950	\$ 3,239	\$ 3,500	\$ 3,779	\$ 4,256
Net Revenues	\$ 11,274	\$ 11,455	\$ 12,092	\$ 12,569	\$ 13,146	\$ 13,878	\$ 17,716
Bond Interest	\$ 9,527	\$ 9,527	\$ 9,527	\$ 9,527	\$ 9,527	\$ 9,527	\$ 9,527
Per Cent of Interest Earned	118.34	120.24	126.92	131.93	137.99	145.67	185.96
Deposits to Replacement Reserve	\$ 655	\$ 995	\$ 1,000	\$ 1,500	\$ 1,800	\$ 2,300	\$ 1,500
Balance in General Reserve	\$ 9,635	\$ 10,333	\$ 11,106	\$ 11,912	\$ 12,729	\$ 13,810	\$ 15,021
Transfer to Initial Turnpike	-----	\$ 110	\$ 696	\$ 585	\$ 819	\$ 635	\$ 4,822

Table 1. Summary of the results of the
multivariate analysis of variance (MANOVA)
for the effect of the treatment on the
response variables.

Treatment	Response Variable	Sum of Squares	df	Mean Square	F	Significance
Control	Yield	12.5	1	12.5	1.2	0.28
T1	Yield	15.2	1	15.2	1.5	0.22
T2	Yield	18.7	1	18.7	1.8	0.18
T3	Yield	21.3	1	21.3	2.1	0.15
T4	Yield	24.8	1	24.8	2.4	0.12
T5	Yield	27.5	1	27.5	2.7	0.10
T6	Yield	30.1	1	30.1	3.0	0.08
T7	Yield	32.6	1	32.6	3.2	0.07
T8	Yield	35.2	1	35.2	3.5	0.06
T9	Yield	37.8	1	37.8	3.8	0.05
T10	Yield	40.3	1	40.3	4.0	0.04
T11	Yield	42.9	1	42.9	4.3	0.03
T12	Yield	45.4	1	45.4	4.5	0.02
T13	Yield	47.9	1	47.9	4.8	0.01
T14	Yield	50.4	1	50.4	5.0	0.01
T15	Yield	52.9	1	52.9	5.3	0.01
T16	Yield	55.4	1	55.4	5.5	0.01
T17	Yield	57.9	1	57.9	5.8	0.01
T18	Yield	60.4	1	60.4	6.0	0.01
T19	Yield	62.9	1	62.9	6.3	0.01
T20	Yield	65.4	1	65.4	6.5	0.01
T21	Yield	67.9	1	67.9	6.8	0.01
T22	Yield	70.4	1	70.4	7.0	0.01
T23	Yield	72.9	1	72.9	7.3	0.01
T24	Yield	75.4	1	75.4	7.5	0.01
T25	Yield	77.9	1	77.9	7.8	0.01
T26	Yield	80.4	1	80.4	8.0	0.01
T27	Yield	82.9	1	82.9	8.3	0.01
T28	Yield	85.4	1	85.4	8.5	0.01
T29	Yield	87.9	1	87.9	8.8	0.01
T30	Yield	90.4	1	90.4	9.0	0.01
T31	Yield	92.9	1	92.9	9.3	0.01
T32	Yield	95.4	1	95.4	9.5	0.01
T33	Yield	97.9	1	97.9	9.8	0.01
T34	Yield	100.4	1	100.4	10.0	0.01
T35	Yield	102.9	1	102.9	10.3	0.01
T36	Yield	105.4	1	105.4	10.5	0.01
T37	Yield	107.9	1	107.9	10.8	0.01
T38	Yield	110.4	1	110.4	11.0	0.01
T39	Yield	112.9	1	112.9	11.3	0.01
T40	Yield	115.4	1	115.4	11.5	0.01
T41	Yield	117.9	1	117.9	11.8	0.01
T42	Yield	120.4	1	120.4	12.0	0.01
T43	Yield	122.9	1	122.9	12.3	0.01
T44	Yield	125.4	1	125.4	12.5	0.01
T45	Yield	127.9	1	127.9	12.8	0.01
T46	Yield	130.4	1	130.4	13.0	0.01
T47	Yield	132.9	1	132.9	13.3	0.01
T48	Yield	135.4	1	135.4	13.5	0.01
T49	Yield	137.9	1	137.9	13.8	0.01
T50	Yield	140.4	1	140.4	14.0	0.01
T51	Yield	142.9	1	142.9	14.3	0.01
T52	Yield	145.4	1	145.4	14.5	0.01
T53	Yield	147.9	1	147.9	14.8	0.01
T54	Yield	150.4	1	150.4	15.0	0.01
T55	Yield	152.9	1	152.9	15.3	0.01
T56	Yield	155.4	1	155.4	15.5	0.01
T57	Yield	157.9	1	157.9	15.8	0.01
T58	Yield	160.4	1	160.4	16.0	0.01
T59	Yield	162.9	1	162.9	16.3	0.01
T60	Yield	165.4	1	165.4	16.5	0.01
T61	Yield	167.9	1	167.9	16.8	0.01
T62	Yield	170.4	1	170.4	17.0	0.01
T63	Yield	172.9	1	172.9	17.3	0.01
T64	Yield	175.4	1	175.4	17.5	0.01
T65	Yield	177.9	1	177.9	17.8	0.01
T66	Yield	180.4	1	180.4	18.0	0.01
T67	Yield	182.9	1	182.9	18.3	0.01
T68	Yield	185.4	1	185.4	18.5	0.01
T69	Yield	187.9	1	187.9	18.8	0.01
T70	Yield	190.4	1	190.4	19.0	0.01
T71	Yield	192.9	1	192.9	19.3	0.01
T72	Yield	195.4	1	195.4	19.5	0.01
T73	Yield	197.9	1	197.9	19.8	0.01
T74	Yield	200.4	1	200.4	20.0	0.01
T75	Yield	202.9	1	202.9	20.3	0.01
T76	Yield	205.4	1	205.4	20.5	0.01
T77	Yield	207.9	1	207.9	20.8	0.01
T78	Yield	210.4	1	210.4	21.0	0.01
T79	Yield	212.9	1	212.9	21.3	0.01
T80	Yield	215.4	1	215.4	21.5	0.01
T81	Yield	217.9	1	217.9	21.8	0.01
T82	Yield	220.4	1	220.4	22.0	0.01
T83	Yield	222.9	1	222.9	22.3	0.01
T84	Yield	225.4	1	225.4	22.5	0.01
T85	Yield	227.9	1	227.9	22.8	0.01
T86	Yield	230.4	1	230.4	23.0	0.01
T87	Yield	232.9	1	232.9	23.3	0.01
T88	Yield	235.4	1	235.4	23.5	0.01
T89	Yield	237.9	1	237.9	23.8	0.01
T90	Yield	240.4	1	240.4	24.0	0.01
T91	Yield	242.9	1	242.9	24.3	0.01
T92	Yield	245.4	1	245.4	24.5	0.01
T93	Yield	247.9	1	247.9	24.8	0.01
T94	Yield	250.4	1	250.4	25.0	0.01
T95	Yield	252.9	1	252.9	25.3	0.01
T96	Yield	255.4	1	255.4	25.5	0.01
T97	Yield	257.9	1	257.9	25.8	0.01
T98	Yield	260.4	1	260.4	26.0	0.01
T99	Yield	262.9	1	262.9	26.3	0.01
T100	Yield	265.4	1	265.4	26.5	0.01

Table 2. Summary of the results of the
multivariate analysis of variance (MANOVA)
for the effect of the treatment on the
response variables.

Treatment	Response Variable	Sum of Squares	df	Mean Square	F	Significance
Control	Yield	12.5	1	12.5	1.2	0.28
T1	Yield	15.2	1	15.2	1.5	0.22
T2	Yield	18.7	1	18.7	1.8	0.18
T3	Yield	21.3	1	21.3	2.1	0.15
T4	Yield	24.8	1	24.8	2.4	0.12
T5	Yield	27.5	1	27.5	2.7	0.10
T6	Yield	30.1	1	30.1	3.0	0.08
T7	Yield	32.6	1	32.6	3.2	0.07
T8	Yield	35.2	1	35.2	3.5	0.06
T9	Yield	37.8	1	37.8	3.8	0.05
T10	Yield	40.3	1	40.3	4.0	0.04
T11	Yield	42.9	1	42.9	4.3	0.03
T12	Yield	45.4	1	45.4	4.5	0.02
T13	Yield	47.9	1	47.9	4.8	0.01
T14	Yield	50.4	1	50.4	5.0	0.01
T15	Yield	52.9	1	52.9	5.3	0.01
T16	Yield	55.4	1	55.4	5.5	0.01
T17	Yield	57.9	1	57.9	5.8	0.01
T18	Yield	60.4	1	60.4	6.0	0.01
T19	Yield	62.9	1	62.9	6.3	0.01
T20	Yield	65.4	1	65.4	6.5	0.01
T21	Yield	67.9	1	67.9	6.8	0.01
T22	Yield	70.4	1	70.4	7.0	0.01
T23	Yield	72.9	1	72.9	7.3	0.01
T24	Yield	75.4	1	75.4	7.5	0.01
T25	Yield	77.9	1	77.9	7.8	0.01
T26	Yield	80.4	1	80.4	8.0	0.01
T27	Yield	82.9	1	82.9	8.3	0.01
T28	Yield	85.4	1	85.4	8.5	0.01
T29	Yield	87.9	1	87.9	8.8	0.01
T30	Yield	90.4	1	90.4	9.0	0.01
T31	Yield	92.9	1	92.9	9.3	0.01
T32	Yield	95.4	1	95.4	9.5	0.01
T33	Yield	97.9	1	97.9	9.8	0.01
T34	Yield	100.4	1	100.4	10.0	0.01
T35	Yield	102.9	1	102.9	10.3	0.01
T36	Yield	105.4	1	105.4	10.5	0.01
T37	Yield	107.9	1	107.9	10.8	0.01
T38	Yield	110.4	1	110.4	11.0	0.01
T39	Yield	112.9	1	112.9	11.3	0.01
T40	Yield	115.4	1	115.4	11.5	0.01
T41	Yield	117.9	1	117.9	11.8	0.01
T42	Yield	120.4	1	120.4	12.0	0.01
T43	Yield	122.9	1	122.9	12.3	0.01
T44	Yield	125.4	1	125.4	12.5	0.01
T45	Yield	127.9	1	127.9	12.8	0.01
T46	Yield	130.4	1	130.4	13.0	0.01
T47	Yield	132.9	1	132.9	13.3	0.01
T48	Yield	135.4	1	135.4	13.5	0.01
T49	Yield	137.9	1	137.9	13.8	0.01
T50	Yield	140.4	1	140.4	14.0	0.01
T51	Yield	142.9	1	142.9	14.3	0.01
T52	Yield	145.4	1	145.4	14.5	0.01
T53	Yield	147.9	1	147.9	14.8	0.01
T54	Yield	150.4	1	150.4	15.0	0.01
T55	Yield	152.9	1	152.9	15.3	0.01
T56	Yield	155.4	1	155.4	15.5	0.01
T57	Yield	157.9	1	157.9	15.8	0.01
T58	Yield	160.4	1	160.4	16.0	0.01
T59	Yield	162.9	1	162.9	16.3	0.01
T60	Yield	165.4	1	165.4	16.5	0.01
T61	Yield	167.9	1	167.9	16.8	0.01
T62	Yield	170.4	1	170.4	17.0	0.01
T63	Yield	172.9	1	172.9	17.3	0.01
T64	Yield	175.4	1	175.4	17.5	0.01
T65	Yield	177.9	1	177.9	17.8	0.01
T66	Yield	180.4	1	180.4	18.0	0.01
T67	Yield	182.9	1	182.9	18.3	0.01
T68	Yield	185.4	1	185.4	18.5	0.01
T69	Yield	187.9	1	187.9	18.8	0.01
T70	Yield	190.4	1	190.4	19.0	0.01
T71	Yield	192.9	1	192.9	19.3	0.01
T72	Yield	195.4	1	195.4	19.5	0.01
T73	Yield	197.9	1	197.9	19.8	0.01
T74	Yield	200.4	1	200.4	20.0	0.01
T75	Yield	202.9	1	202.9	20.3	0.01
T76	Yield	205.4	1	205.4	20.5	0.01
T77	Yield	207.9	1	207.9	20.8	0.01
T78	Yield	210.4	1	210.4	21.0	0.01
T79	Yield	212.9	1	212.9	21.3	0.01
T80	Yield	215.4	1	215.4	21.5	0.01
T81	Yield	217.9	1	217.9	21.8	0.01
T82	Yield	220.4	1	220.4	22.0	0.01
T83	Yield	222.9	1	222.9	22.3	0.01
T84	Yield	225.4	1	225.4	22.5	0.01
T85	Yield	227.9	1	227.9	22.8	0.01
T86	Yield	230.4	1	230.4	23.0	0.01
T87	Yield	232.9	1	232.9	23.3	0.01
T88	Yield	235.4	1	235.4	23.5	0.01
T89	Yield	237.9	1	237.9	23.8	0.01
T90	Yield	240.4	1	240.4	24.0	0.01
T91	Yield	242.9	1	242.9	24.3	0.01
T92	Yield	245.4	1	245.4	24.5	0.01
T93	Yield	247.9	1	247.9	24.8	0.01
T94	Yield	250.4	1	250.4	25.0	0.01
T95	Yield	252.9	1	252.9	25.3	0.01
T96	Yield	255.4	1	255.4	25.5	0.01
T97	Yield	257.9	1	257.9	25.8	0.01
T98	Yield	260.4	1	260.4	26.0	0.01
T99	Yield	262.9	1	262.9	26.3	0.01
T100	Yield	265.4	1	265.4	26.5	0.01

Massachusetts Turnpike Authority
Class Comparison – Initial Turnpike

January-December 1979 vs. January-December 1980

Class	Description	Transactions		Increase or (Decrease)	%	Revenue		Increase or (Decrease)	%
		1979	1980			1979	1980		
1.	Passenger Vehicle or Light Truck (Taxis, Suburbans, Ambulances, Motorcycles, Hearses)	37,263,049	37,145,932	(117,117)	(.3)	\$20,908,823	\$26,708,039	\$5,799,216	27.7
2.	Passenger Vehicle or Light Truck with One or Two Axle Trailers	230,306	233,352	3,046	1.3	243,233	322,098	78,865	32.4
3.	Trucks – Five or More Axles	2,094,504	2,082,366	(12,138)	(.6)	5,524,397	6,954,461	1,430,064	25.9
5.	Medium Trucks – Dual Tires with Two Axles	979,507	941,366	(38,141)	(3.9)	995,370	1,215,790	220,420	22.1
6.	Trucks – Three Axles	237,910	220,721	(17,189)	(7.2)	307,245	364,768	57,523	18.7
7.	Trucks – Four Axles	983,704	876,933	(106,771)	(10.9)	1,978,114	2,170,158	192,044	9.7
8.	Buses	229,958	237,829	7,871	3.4	397,497	422,289	24,792	6.2
9.	Tandem Trailer – Units	73,026	67,571	(5,455)	(7.5)	745,010	873,024	128,014	17.2
10.	Non-Revenue Vehicles	269,284	250,477	(18,807)	(7.0)				.0
Totals		42,361,248	42,056,547	(304,701)	(.7)	\$31,099,689	\$39,030,627	\$7,930,938	25.5

Massachusetts Turnpike Authority
Comparison Of Interchange Transactions – Initial Turnpike

January-December 1979 vs. January-December 1980

Interchange	No.	Entry		Increase or (Decrease)	%	Exit		Increase or (Decrease)	%
		1979	1980			1979	1980		
W. Stockbridge	1.	1,761,025	1,815,756	54,731	3.1	1,717,530	1,771,044	53,514	3.1
Lee	2.	896,969	880,202	(16,767)	(1.9)	930,931	916,770	(14,161)	(1.5)
Westfield	3.	1,381,018	1,304,171	(76,847)	(5.6)	1,401,971	1,333,738	(68,233)	(4.9)
W. Springfield	4.	2,385,438	2,356,111	(29,327)	(1.2)	2,423,413	2,421,747	(1,666)	(.1)
Chicopee	5.	1,330,382	1,334,016	3,634	.3	1,236,807	1,168,922	(67,885)	(5.5)
Springfield	6.	1,948,520	1,881,991	(66,529)	(3.4)	2,009,026	1,965,013	(44,013)	(2.2)
Ludlow	7.	1,033,233	988,701	(44,532)	(4.3)	988,210	953,602	(34,608)	(3.5)
Palmer	8.	1,232,487	1,177,345	(55,142)	(4.5)	1,215,066	1,160,067	(54,999)	(4.5)
Sturbridge	9.	4,356,714	4,525,471	168,757	3.9	4,401,599	4,571,648	170,049	3.9
Auburn	10.	3,471,112	3,532,795	61,683	1.8	3,429,331	3,461,197	31,866	.9
Millbury	11.	872,731	844,205	(28,526)	(3.3)	966,726	957,180	(9,546)	(1.0)
Westborough	11.A	2,958,891	2,891,812	(67,079)	(2.3)	2,812,025	2,807,364	(4,661)	(.2)
Framingham	12.	2,798,741	2,703,588	(95,153)	(3.4)	2,944,173	2,836,246	(107,927)	(3.7)
Natick	13.	4,496,056	4,423,142	(72,914)	(1.6)	4,499,391	4,433,074	(66,317)	(1.5)
Weston	14.	5,680,131	5,662,215	(17,916)	(.3)	5,500,777	5,417,891	(82,886)	(1.5)
Newton	15.	5,757,800	5,735,026	(22,774)	(.4)	5,884,272	5,881,044	(3,228)	(.1)
Totals		42,361,248	42,056,547	(304,701)	(.7)	42,361,248	42,056,547	(304,701)	(.7)

Year	Month	Day	Time	Location	Activity	Notes
2010	Jan	1	10:00	Home	Work	Start of the year
2010	Jan	2	10:00	Home	Work	
2010	Jan	3	10:00	Home	Work	
2010	Jan	4	10:00	Home	Work	
2010	Jan	5	10:00	Home	Work	
2010	Jan	6	10:00	Home	Work	
2010	Jan	7	10:00	Home	Work	
2010	Jan	8	10:00	Home	Work	
2010	Jan	9	10:00	Home	Work	
2010	Jan	10	10:00	Home	Work	
2010	Jan	11	10:00	Home	Work	
2010	Jan	12	10:00	Home	Work	
2010	Jan	13	10:00	Home	Work	
2010	Jan	14	10:00	Home	Work	
2010	Jan	15	10:00	Home	Work	
2010	Jan	16	10:00	Home	Work	
2010	Jan	17	10:00	Home	Work	
2010	Jan	18	10:00	Home	Work	
2010	Jan	19	10:00	Home	Work	
2010	Jan	20	10:00	Home	Work	
2010	Jan	21	10:00	Home	Work	
2010	Jan	22	10:00	Home	Work	
2010	Jan	23	10:00	Home	Work	
2010	Jan	24	10:00	Home	Work	
2010	Jan	25	10:00	Home	Work	
2010	Jan	26	10:00	Home	Work	
2010	Jan	27	10:00	Home	Work	
2010	Jan	28	10:00	Home	Work	
2010	Jan	29	10:00	Home	Work	
2010	Jan	30	10:00	Home	Work	
2010	Jan	31	10:00	Home	Work	

Year	Month	Day	Time	Location	Activity	Notes
2010	Feb	1	10:00	Home	Work	
2010	Feb	2	10:00	Home	Work	
2010	Feb	3	10:00	Home	Work	
2010	Feb	4	10:00	Home	Work	
2010	Feb	5	10:00	Home	Work	
2010	Feb	6	10:00	Home	Work	
2010	Feb	7	10:00	Home	Work	
2010	Feb	8	10:00	Home	Work	
2010	Feb	9	10:00	Home	Work	
2010	Feb	10	10:00	Home	Work	
2010	Feb	11	10:00	Home	Work	
2010	Feb	12	10:00	Home	Work	
2010	Feb	13	10:00	Home	Work	
2010	Feb	14	10:00	Home	Work	
2010	Feb	15	10:00	Home	Work	
2010	Feb	16	10:00	Home	Work	
2010	Feb	17	10:00	Home	Work	
2010	Feb	18	10:00	Home	Work	
2010	Feb	19	10:00	Home	Work	
2010	Feb	20	10:00	Home	Work	
2010	Feb	21	10:00	Home	Work	
2010	Feb	22	10:00	Home	Work	
2010	Feb	23	10:00	Home	Work	
2010	Feb	24	10:00	Home	Work	
2010	Feb	25	10:00	Home	Work	
2010	Feb	26	10:00	Home	Work	
2010	Feb	27	10:00	Home	Work	
2010	Feb	28	10:00	Home	Work	

Massachusetts Turnpike Authority
Comparison Of Interchange Revenue – Initial Turnpike

January-December 1979 vs. January-December 1980

Interchange	No.	Entry		Increase or (Decrease)	%	Exit		Increase or (Decrease)	%
		1979	1980			1979	1980		
W Stockbridge	1.	\$ 4,107,108	\$ 5,316,230	\$1,209,122	29.4	\$ 4,027,879	\$ 5,234,035	\$1,206,156	29.9
Lee	2.	1,068,608	1,304,658	236,050	22.1	1,101,219	1,343,086	241,867	22.0
Westfield	3.	673,771	816,360	142,589	21.2	681,540	828,485	146,945	21.6
W. Springfield	4.	1,817,140	2,264,325	447,185	24.6	1,775,979	2,227,545	451,566	25.4
Chicopee	5.	535,240	659,708	124,468	23.3	528,715	630,047	101,332	19.2
Springfield	6.	1,821,067	2,227,406	406,339	22.3	1,833,452	2,233,572	400,120	21.8
Ludlow	7.	530,124	662,361	132,237	24.9	523,842	653,881	130,039	24.8
Palmer	8.	668,117	825,724	157,607	23.6	668,632	823,187	154,555	23.1
Sturbridge	9.	3,829,454	4,997,709	1,168,255	30.5	3,802,845	4,964,543	1,161,698	30.5
Auburn	10.	2,993,516	3,798,394	804,878	26.9	2,990,631	3,753,340	762,709	25.5
Millbury	11.	731,559	861,940	130,381	17.8	802,861	977,980	175,119	21.8
Westborough	11.A	2,065,384	2,577,904	512,520	24.8	2,060,561	2,616,753	556,192	27.0
Framingham	12.	1,035,260	1,234,892	199,632	19.3	1,100,616	1,323,585	222,969	20.3
Natick	13.	1,198,051	1,407,500	209,449	17.5	1,183,554	1,375,816	192,262	16.2
Weston	14.	4,414,712	5,633,518	1,218,806	27.6	4,246,349	5,352,125	1,105,776	26.0
Newton	15.	3,610,578	4,441,998	831,420	23.0	3,771,014	4,692,647	921,633	24.4
Totals		\$31,099,689	\$39,030,627	\$7,930,938	25.5	\$31,099,689	\$39,030,627	\$7,930,938	25.5

Massachusetts Turnpike Authority
Class Comparison – Boston Extension

January-December 1979 vs. January-December 1980

Class	Description	Transactions		Increase or (Decrease)	%	Revenue		Increase or (Decrease)	%
		1979	1980			1979	1980		
1.	Passenger Vehicle or Light Truck (Taxis, Suburbans, Ambulances, Motorcycles, Hearses)	54,676,708	53,743,041	(933,667)	(1.7)	\$13,986,190	\$17,770,928	\$3,784,738	27.1
2.	Passenger Vehicle or Light Truck with One or Two Axle Trailers	53,068	54,191	1,123	2.1	27,679	36,440	8,761	31.7
3.	Trucks – Five or More Axles	770,096	768,945	(1,151)	(.1)	532,758	669,378	136,620	25.6
5.	Medium Trucks – Dual Tires with Two Axles	1,238,464	1,191,807	(46,657)	(3.8)	436,594	514,642	78,048	17.9
6.	Trucks – Three Axles	199,834	199,428	(406)	(.2)	88,382	109,581	21,199	24.0
7.	Trucks – Four Axles	557,941	481,761	(76,180)	(13.7)	296,946	323,575	26,629	9.0
8.	Buses	601,927	682,286	80,359	13.4	452,578	432,610	(19,968)	(4.4)
9.	Tandem Trailer – Units	20,182	21,875	1,693	8.4	20,182	27,411	7,229	35.8
10.	Non-Revenue Vehicles	250,858	233,564	(17,294)	(6.9)				.0
Totals		58,369,078	57,376,898	(992,180)	(1.7)	\$15,841,309	\$19,884,565	\$4,043,256	25.5

Massachusetts Turnpike Authority
Statistical Comparison — Boston Extension

January-December 1979 vs. January-December 1980

Interchange	No.	Transactions		Increase or (Decrease)	%	Revenue		Increase or (Decrease)	%
		1979	1980			1979	1980		
Newton - Turnpike	15	11,594,580	11,571,644	(22,936)	(.2)	\$ 3,108,602	\$ 4,073,284	\$ 964,682	31.0
Newton - 128	15	10,796,572	10,355,209	(441,363)	(4.1)	2,785,347	3,507,781	722,434	25.9
West Newton	16	2,427,559	2,433,040	5,481	.2	364,983	464,238	99,255	27.2
Allston									
Off East - On West	18	7,290,200	7,107,424	(182,776)	(2.5)	1,541,337	1,807,466	266,129	17.3
Thru Traffic	19	19,222,592	18,933,437	(289,155)	(1.5)	6,206,155	7,628,716	1,422,561	22.9
Off West - On East	20	7,037,575	6,976,144	(61,431)	(.9)	1,834,885	2,403,080	568,195	31.0
Totals		58,369,078	57,376,898	(992,180)	(1.7)	\$15,841,309	\$19,884,565	\$4,043,256	25.5

Massachusetts Turnpike Authority
Class Comparison — Tunnel

January-December 1979 vs. January-December 1980

Class	Description	Transactions		Increase or (Decrease)	%	Revenue		Increase or (Decrease)	%
		1979	1980			1979	1980		
1.	Passenger Vehicle or Light Truck (Taxi, Suburban, Ambulance, Motorcycle, Hearse)	26,200,704	24,797,759	(1,402,945)	(5.4)	\$6,550,176	\$7,230,920	\$680,744	10.4
2.	Passenger Vehicle with Single-Axle Trailer, Two-Axle Single Tire Truck with Single-Axle Trailer	9,322	8,810	(512)	(5.5)	2,797	3,447	650	23.2
4.	Trucks — Five or More Axles	27,517	22,683	(4,834)	(17.6)	12,383	12,161	(222)	(1.8)
5.	Two-Axle Dual - Tire Truck	434,568	395,633	(38,935)	(9.0)	130,370	151,555	21,185	16.2
6.	Three-Axle Truck, Two-Axle Dual-Tire Truck with Single-Axle Trailer	37,066	35,456	(1,610)	(4.3)	12,973	15,379	2,406	18.5
7.	Four-Axle Truck with or without Trailer, Class 1 Vehicle with Two-Axle Trailer	57,572	63,337	5,765	10.0	23,028	30,706	7,678	33.3
8.	Buses	179,775	154,654	(25,121)	(14.0)	62,921	47,557	(15,364)	(24.4)
9.	Commuter Vehicles	1,256,573	2,012,759	756,186	60.2	251,315	402,552	151,237	60.2
10.	Non-Revenue Vehicles	149,399	167,799	18,400	12.3				.0
Totals		28,352,496	27,658,890	(693,606)	(2.4)	\$7,045,963	\$7,894,277	\$848,314	12.0

**MASSACHUSETTS TURNPIKE AUTHORITY
EMPLOYEES' RETIREMENT SYSTEM**

**FINANCIAL CONDITION REPORT
AS OF
DECEMBER 31, 1980**

THE UNIVERSITY OF CHICAGO
LIBRARY

100 EAST 57TH STREET
CHICAGO, ILL. 60637

MASSACHUSETTS TURNPIKE AUTHORITY
EMPLOYEES' RETIREMENT SYSTEM

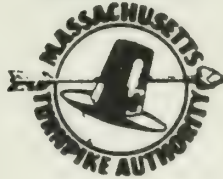
SUITE 3000, PRUDENTIAL CENTER
BOSTON, MASSACHUSETTS 02199

STANLEY J. BRITTON
EX-OFFICIO-CHAIRMAN

J. JOSEPH MALONEY
APPOINTED MEMBER

FRANCIS M. HOEY
ELECTED MEMBER

GERALD F. COUGHLIN
SECRETARY



536-1400

February 28, 1981

In accordance with the provisions of section 20, subsection 5, paragraph (i) of Chapter 32 of the General Laws, we are pleased to submit herewith, for publication in the Massachusetts Turnpike Authority Annual Report to the Governor and General Court, a copy of the report of the financial condition of the Massachusetts Turnpike Authority Employees' Retirement System as of December 31, 1980.

S. J. BRITTON
Ex-officio - Chairman

J. JOSEPH MALONEY
Appointed Member

FRANCIS M. HOEY
Elected Member

THE UNIVERSITY OF CHICAGO
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CHICAGO, ILL. 60637



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MASSACHUSETTS TURNPIKE AUTHORITY
EMPLOYEES' RETIREMENT SYSTEM

FINANCIAL CONDITION AS OF DECEMBER 31, 1980

(unaudited)*

Assets

Cash in Bank	\$ 497
Investments	
Government bonds	3,171,271
Railroad bonds	491,280
Public Utility bonds	1,743,576
Bank and Industrial notes and bonds	1,549,285
Telephone bonds	4,031,566
Common stock-banks	60,375
Short-term investments	
available cash	113,667
Term deposits	120,000
Certificates of deposit	100,000
Due from employer-payroll deductions	14,367
Accrued interest on investments	<u>345,453</u>

Total Assets

\$11,741,337

Liabilities

Annuity Savings Fund	\$4,641,744
Annuity Reserve Fund	1,151,342
Pension Fund	2,038,522
Expense Fund	104,762
Past Service Liability Fund	<u>3,804,967</u>

Total Liabilities

\$11,741,337

**See Notes To Financial Statements*

STATEMENT OF CASH
For The Year Ending December 31, 1980
(unaudited) *

Cash in bank, January 1, 1980	\$ 7,380	
Short-term investments, available cash	<u>835,503</u>	\$ 842,883

Receipts

Members' Contributions	719,972	
Transfers of members' accounts from other systems	54,279	
Pensions reimbursements from other systems	37,006	
Massachusetts Turnpike Authority:		
Pension Fund appropriation	1,150,000	
Expense Fund appropriation	104,200	
Past Service Liability Fund appropriation	993,000	
Sale of investments	4,520,547	
Gain (Loss) on sale of investments	(39,761)	
Investment income	1,003,555	
Settlement of securities claim	<u>9,294</u>	
<u>Total Receipts</u>		<u>8,582,092</u> <u>\$9,424,975</u>

Disbursements

Annuities	90,160	
Pensions	1,278,392	
Pensions reimbursements to other systems	9,383	
Refunds to beneficiaries:		
Option B annuity payments	48,138	
Contributions of deceased employees	18,697	
Refunds to inactive members	87,448	
Transfers of members' accounts to other systems	2,901	
Administrative expenses	87,465	
Investments	7,543,967	
Accrued interest on bonds purchased	<u>144,260</u>	
<u>Total Disbursements</u>		<u>9,310,811</u>
<u>Balance, December 31, 1980</u>		<u>\$ 114,164</u>

Cash in bank	497	
Short-term investments, available cash	<u>113,667</u>	
<u>Balance, December 31, 1980</u>		<u>\$ 114,164</u>

**See Notes To Financial Statements*

THE UNIVERSITY OF CHICAGO
DEPARTMENT OF CHEMISTRY
LABORATORY OF PHYSICAL CHEMISTRY

Date	No.	Name

**MASSACHUSETTS TURNPIKE AUTHORITY
EMPLOYEES' RETIREMENT SYSTEM**

Footnotes To Financial Statements

1. Accounting Policies — The accounting policies used by the Massachusetts Turnpike Authority Employees' Retirement System follow the principles and practices for public employee contributory retirement systems as promulgated by the Commonwealth of Massachusetts, Division of Insurance, pursuant to the provisions of Chapter 32, section 21, of the Massachusetts General Laws.

Records of the Retirement System are periodically audited by the Division of Insurance of the Commonwealth in accordance with the provisions of the statute. The last such audit was completed in June, 1979, and covered the period from January 1, 1975 through December 31, 1978. Additionally, in August, 1978, the retirement board authorized an audit by an independent accounting firm of refunds of retirement contributions to former employees. This audit was completed in January, 1979, and included the ten year period from July 1, 1968 through June 30, 1978.

2. Investments — Assets of the Retirement System are invested pursuant to the provisions and limitations of Chapter 32, section 23, of the Massachusetts General Laws. Investment earnings for the year 1980 totalled \$1,106,172 of which \$308,799 was attributable to investments

of the Past Service Liability Fund. The balance of \$797,373 investment income represented a rate of return of 10.91% of mean ledger assets of the other funds of the Retirement System, and was applied to those funds in accordance with the statute. Interest was credited to individual members' accounts at the rate of 6.7% as determined by the Division of Insurance. The investment income distribution totals follow:

Annuity Savings Fund	\$256,166
Annuity Reserve Fund	30,817
Pension Fund	<u>510,390</u>
	\$797,373

3. Benefits — During 1980, 45 employees were retired by the retirement board, bringing to 400 the number of employees retired since the inception of the system in July, 1968. Retirement allowances totalling \$1,368,553 were paid in 1980, of which \$90,160 were annuity payments, \$1,011,777 were pension payments to retirees, and \$266,616 were pension payments to survivors and beneficiaries of deceased employees and retirees. Pension reimbursements totalling \$37,006 were received from other systems, and reimbursements of \$9,382 were paid to other systems. Recipients of retirement benefits as of December 31, 1980 numbered 312 retirees and 86 survivors and beneficiaries.

THE JOURNAL OF THE ROYAL ANTHROPOLOGICAL INSTITUTE

Volume 100, Part 1, 2000

The first part of the volume contains a review of the current state of research on the evolution of the human brain. The review is based on a synthesis of the latest findings in the fields of genetics, neuroscience, and anthropology. The author argues that the human brain is a unique product of evolution, and that its development is influenced by both genetic and environmental factors. The review also discusses the implications of these findings for our understanding of human cognition and behavior.

Author: [Name]
Title: [Title]
Page: [Page]

The second part of the volume contains a series of papers on the evolution of the human brain. The papers are written by leading experts in the field, and they provide a comprehensive overview of the current state of research. The papers discuss the role of genetics in the development of the human brain, the influence of environmental factors, and the implications of these findings for our understanding of human cognition and behavior. The papers also discuss the evolution of the human brain in relation to other primates, and they provide a detailed analysis of the fossil record.

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MASS. TC621:961

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Massachusetts

Turnpike

Authority

Annual Report 1981

MASSACHUSETTS
TURNPIKE AUTHORITY
ANNUAL REPORT
1981



Massachusetts Turnpike Authority

The Massachusetts Turnpike Authority was created by Chapter 354 of the Acts of 1952 as an autonomous instrumentality of the Commonwealth to discharge the public functions which have, from time to time, been delegated to it by the Legislature. The Authority acts through a board of three members, one of whom is designated as Chairman, who are appointed by the Governor for terms of eight years.

The Authority operates three separate and financially distinct facilities, i.e., The Massachusetts Turnpike, The Callahan-Sumner Tunnels and The Boston Extension of the Massachusetts Turnpike. These facilities were financed by means of three revenue bond issues totalling over five hundred million dollars. Neither the faith and credit nor the taxing power of the Commonwealth of Massachusetts or of any political subdivision thereof is pledged to the payment of the principal or interest on the Bonds. The funds providing for the maintenance, operation and policing of these facilities, as well as principal and interest payments on the bond issues, are derived solely from tolls and other revenues generated by users.

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	Copley Place, Connecticut River Bridge, Replacement Reserve, Safety Record, Car Pool, Financial Highlights, Personnel, Credit Union, Affirmative Action/Equal Employment Opportunity
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His Excellency Edward J. King
Governor of the Commonwealth of Massachusetts
and
Members of the Senate and House of Representatives
Boston, Massachusetts

His Excellency and Honorable Members:

In accordance with this Authority's enabling legislation, section 15, Chapter 354, Acts of 1952, as amended, we are pleased to submit herewith the Twenty-eighth Annual Report of the Massachusetts Turnpike Authority covering the 1981 operation of the initial section of the Massachusetts Turnpike, the Boston Extension thereto, and the Callahan-Sumner Tunnels.

Further, in accordance with the provisions of Chapter 32, section 20, subsection 5, paragraph (i) of the General Laws, we are also submitting herewith the report of the financial condition of the Massachusetts Turnpike Authority Employees' Retirement System as of December 31, 1981.



A handwritten signature in dark ink, reading "John T. Driscoll".

John T. Driscoll
Chairman

A handwritten signature in dark ink, reading "Paul F. May".

Paul F. May
Vice-Chairman

A handwritten signature in dark ink, reading "Raymond J. Fontana".

Raymond J. Fontana
Member

GOVERNMENT DOCUMENTS
COLLECTION
JUL 18 1983
University of Massachusetts
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Massachusetts Turnpike Authority Staff

Financial Highlights: 1981

Finance and Administration Office	S.J. Britton <i>Secretary-Treasurer</i>
Administrative Services Division	P.F. Byron <i>Assistant Secretary</i> <i>Assistant Treasurer</i>
Computer Services Division	W.M. Coffill <i>Manager of Computer Services</i>
Financial Services Division	K.R. Lewis <i>Controller</i>
Retirement System	G.F. Coughlin <i>Secretary to Retirement Board</i>
Affirmative Action and Equal Opportunity Office	A.T. McCann <i>Equal Employment Opportunity Officer</i>
Community Relations Office	E.M. King <i>Director of Community Relations</i>
Legal Office	L.E. Ryan <i>Resident Counsel</i>
Personnel Office	J.W. Francis <i>Director of Personnel</i>
Engineering and Maintenance Dept.	M.C. Crain <i>Chief Engineer</i>
Construction Division	J.N. Grim <i>Assistant Chief Engineer</i>
Maintenance Division	J.T. Dias <i>Maintenance Engineer</i>
Toll Collection Department	H. Finn <i>Superintendent of Toll Collection</i>
Tunnels Department	W.P. Driscoll <i>Superintendent of Tunnels</i>
Troop E, Massachusetts State Police	W.J. Gillespie <i>Commander</i>

Total gross revenue of the Authority in 1981 amounting to \$79,715,117 was 8.3%, or \$6,125,987 greater than in 1980. Gross revenue of the Initial Turnpike increased by \$2,626,632 or 6.1%, i.e., from \$43,151,816 in 1980 to \$45,778,448 in 1981. Boston Extension gross revenue increased by \$3,018,019, or 13.7% i.e., from \$21,972,394 in 1980 to \$24,990,413 in 1981 and gross revenue of the Callahan-Sumner Tunnels increased by \$481,336, or 5.7%, i.e., from \$8,464,920 in 1980 to \$8,946,256 in 1981. The Resident Counsel's office collected \$302,783 in claims against motorists for damage to Authority property. This compares with \$297,677 collected from the same source in the year before.

The Authority's total operating expenses increased by \$2,964,094, or 12.3%, over 1980 expenses. Net revenue amounting to \$52,681,872 was \$3,161,893, or 6.4% greater than in 1980.

In 1981 a record of \$6,656,144 of Boston Extension revenue was transferred to the Initial Turnpike Redemption Account for retirement of Initial Turnpike bonds as provided in the 1962 Supplemental Trust Agreement. This is the seventh year that transfers have been made to this account. Total transfers to date amount to \$14,322,906.

A total of \$28,429,000 principal amount Initial Turnpike revenue bonds and \$3,748,000 principal amount Callahan-Sumner Tunnels revenue bonds were purchased on the open market and retired in 1981. Of the \$254,000,000 revenue bonds issued to finance construction and widening of the Initial Turnpike, \$201,986,000, or 79.5%, have been retired as of December 31, 1981. Outstanding Callahan-Sumner Tunnels revenue bonds have been reduced from \$54,400,000 to \$21,092,000, or by 61% as of December 31, 1981.

1981: A look in the rear view mirror.

Copley Place

1980 ended with an exciting promise of new growth and revenue for the Authority. In November, the Authority participated in groundbreaking ceremonies for the new Copley Place Air Rights Project. This \$305 million investment in the future of Boston and the Commonwealth is the largest private development in the City's history. The 9.5 acre site, adjacent to the Turnpike at Exit 22 on the Boston Extension, will accommodate two luxury hotels, a two-level shopping mall topped by a seven-story office building, a specialty department store, housing and garage space.

Initial construction in the Copley Place area forced the relocation of Stuart Street and the redesign of Huntington Avenue. The winter months were spent on a massive relocation effort that included the moving of a 42-inch city water main as well as gas, electric, steam and telephone utility lines. Early Spring 1981 saw the driving of foundation piles for the Westin Hotel and the simultaneous placement of 100 foot steel piles, driven to refusal bedrock, in preparation for the mainline roadways of the Turnpike. On May 10th the Authority opened a temporary exit ramp from the Turnpike mainline to Stuart Street. This ramp, scheduled to be removed in late 1982 when the new complex of exit ramps is completed, eliminated interference by Turnpike exit traffic and facilitated construction on the central section of the Copley Place Project.

Construction was interrupted during June and July by an industry-wide walkout of carpenters and dock workers. In spite of a lengthy work stoppage, the project developer still anticipates meeting target dates for opening elements of the development.

Connecticut River Bridge

As part of the Authority's continuing program of maintenance and rehabilitation, the eastbound deck of the 1,200 foot long Connecticut River Bridge was replaced during 1981. The use of prefabricated concrete panels allowed the Authority to make improvements in the minimum amount of time, with minimum inconvenience to bridge users. The 156 eleven ton panels that make up the new eastbound lane are expected to provide longer service life since they are precast, prestressed concrete produced in a plant under controlled conditions.

Improvements to the Connecticut River Bridge attracted international attention. In September, some 60 structural engineers from Canada, Washington D.C., New York and the surrounding New England states visited the bridge site to look over this innovative new construction technique. During 1982, the west-bound bridge lanes will be replaced using the same reconstruction methods and traffic patterning.

Other Bridge Work

In addition to the Connecticut River Bridge project, the east-bound lanes of the nearby bridge over Riverdale Street (Route #5) in West Springfield and the deck of the ramp bridge over Norembea Road in Weston, were replaced.

Work on the 1,400 foot Westfield River Bridge, which began in 1980, was completed in 1981 with the repair, waterproofing and surfacing with a bituminous concrete overlay being applied to the westbound lanes of the bridge.

Contracts were also completed for the repair, sealing and resurfacing of the major deck portions of Boston's Arlington Street and Tremont Street bridges. In all, decks for some 18 bridges have been replaced since 1976.

Replacement Reserve Projects

Other than bridges Replacement Reserve projects in 1981 involved the awarding of contracts for cleaning and painting structural steel, repairing substructure concrete and refurbishing bridge steel bearing devices.

Pavement resurfacing contracts were awarded covering both the Initial Turnpike and Boston Extension. A 12-mile stretch of the Turnpike between Westfield and Chicopee as well as a 4½ mile section of the Boston Extension between Newton Corner and Route #128 were resurfaced.

Safety Record

The 1981 fatality rate of .80 per 100 million miles traveled is a new record for the Massachusetts Turnpike, surpassing the previous record of .82 established just last year. Also, the rate of persons injured per 100 million miles was reduced from a previous record low of 25 in 1980 to a new record of 23 in 1981. A total of 49,455 citations for moving violations were issued in 1981 by Troop E of the Massachusetts State Police as compared with 46,499 in 1980.

We attribute this fine safety record to the Authority policy of strict enforcement of the 55 mph speed limit. The high visibility of state police enforcing this speed limit has reduced the average vehicle speed; this results in more reaction time for motorists in critical situations, thereby reducing the potential of serious personal injury.

The Authority congratulates the uniformed members of Troop E and its assigned civilian employees for their dedication in making the Massachusetts Turnpike one of the safest highways in the country.

Car Pooling

In continuing efforts to promote energy conservation, the car pool toll incentive program introduced by the Authority in 1980 was expanded and modified on March 1, 1981. Initially, the program was in effect on regular working days between 6 and 10 in the morning and 3 and 7 in the evenings. The new car pool toll incentive plan is offered 24 hours a day, 7 days a week and is open to out-of-state commuters.

Personnel Overview

Deferred Compensation Plan

This new program - designed to allow Authority employees to take advantage of recent changes in the tax laws - is an entirely voluntary supplement to the Authority's regular retirement plan.

Adopted on October 22, 1981, the program allows employees to shelter part of their salaries in tax-deferred retirement accounts.

Group Life Insurance Plan

The insurance program for employees was changed on October 1, 1981. The new plan provides for group term life insurance coverage at no cost to employees. Formerly the plan was a combination of paid-up life insurance purchased by employee contributions, and term insurance purchased by the Authority.

Under the new program, employees can purchase additional amounts of term insurance if they choose to do so.

Employees MBTA Pass Program

In September, 1981, the Authority contracted with the Massachusetts Bay Transit Authority to encourage employees to ride mass transit at generous discount rates.

Credit Union

A particularly satisfying milestone was surpassed by the Turnpike Credit Union during 1981. During June, total credit union assets broke the \$1,000,000 barrier. This significant growth continued throughout the remainder of the year and resulted in a December 31, 1981 total assets balance of \$1,063,897. Also at year-end, 757 Authority employees were members owning share account deposits of \$677,805, and, in addition, term deposits of \$140,403. Further, dividends paid to members during 1981 increased from \$37,884 in 1980 to \$47,274.

Equal Employment Opportunity/Affirmative Action

The Massachusetts Turnpike Authority Affirmative Action Plan, containing statements of policy relative to the Authority's commitment to affirmative action and prescribed goals/timetables, was presented to the Director of Affirmative Action, Commonwealth of Massachusetts on January 7, 1981, and all quarterly reports subsequently forwarded thereto.

On December 13, 1980, minority and female representation was 9% and 13% respectively. For the period January-December, 1981 there were 12% minority and 24% female new hires. In that same period, the turnover rate was 10% minority and 15% female employees, resulting in the current rate of 9% minority and 14% female employee representation in the Authority's workforce on December 26, 1981.

Labor cost on the thirteen Replacement Reserve construction contracts totalled \$800,000, of which \$140,000 (17%) was paid to minority construction workers. Additionally one minority business firm received an award of \$89,000.00.

A total of \$210,238 for goods and services was shared by six minority business enterprises, representing an increase of 30% over 1980 MBE participation, and two women business enterprises (WBE) shared in an additional \$25,000 on purchases.

In compliance with affirmative action requirements of the Copley Place Lease, and despite an early summer work stoppage due to seven weeks strike activity, 20% minority work hours was reflected in the six months (June-November 1981) 194,703 total workforce hours on this project.

In accordance with the Authority's Length-of-Service Award procedure, the following employees were awarded service emblems in 1981:

Twenty-Five Years

Francis M. Hoey,
Harold Finn,
Michael J. Maher

Twenty Years

John C. O'Brien
Richard A. Cummings
Bennie Trzcinski
Thomas J. Condon, Jr.
Howard A. Pease
Louis Garczynski
Albert F. Sullivan
Rene St. Laurent
Vincent M. Walsh
Eugene F. Berg

Fifteen Years

William J. Markiewicz
Francis G. Starrs
Ronald H. Cross
Joseph T. Greeley
James H. Langley
Thomas L. Bowes
Eleanor McNicholas
Pasquale D. Chiacchia
Donald J. McGillivray
Andrew F. Deibel
Paul R. Sherman
Ernest C. Perikli
John P. Hearn
Anthony J. Capoccia
Denis J. Cahill
Herbert F. Baker
Matthew Beatty
John W. Francis
Thomas H. O'Donnell
George W. Johnstone
Richard Higgins
John T. Dias

Data Processing:

Dominic D'Alto
Computer Services Clerk
Alice E. Hughes
Senior Typist Clerk

Toll Collection:

Louis G. Abysalh
Toll Collector
Michael A. Arena
Toll Collector
Luigi Bellone
Toll Collector
William E. Cataldo
Toll Collector
Joseph M. Chiras
Janitor
Chester P. Dembkowski
Toll Collector
William J. Gaffney
Toll Collector
Harold M. Holgersen
Janitor
George W. Johnstone
Toll Collector
John A. McEntee
Toll Collector
Joseph T. Nedder
Senior Toll Collector
Charles E. Page
Toll Collector
John J. Pento
Toll Collector
James S. Polakowski
Toll Collector
Morris Polansky
Senior Toll Collector
Sotir M. Seferi
Toll Collector
Edward J. Topalian
Toll Collector
Joseph F. Whelan
Toll Collector

Engineering and Maintenance:

Arthur J. Cloutier
Bldg. Maint. Mech.
George J. Collins
Construction Inspector
Cornelius J. Dempsey
Storekeeper
Norman R. Duplin
Janitor
Maurice Ford
Foreman, Maint. Mech.
Oscar S. Graveline
First Class Mechanic

Edward J. Hayes
Maintenance Clerk
Peter A. Jonaitis
Sen. Maintenance Clerk
Edward J. McDonald
Courier
Joseph A. Petrone
First Class Mechanic
William C. Reich
Foreman, Maintenance
Walter J. Samsel
Bldg. Maint. Mech.
Ralph E. Serino
Heavy Equip. Operator

Tunnels Division:

Joseph Balliro
Toll Collector
Samuel Belson
Toll Collector
Gerald J. Cahill
Security Officer
Frank Rella
Maintenance Man
John Stella
Maintenance Man

Pasquale Maniscalco*
Janitor
01/17/81
Adolph Kelley*
Toll Collector/Tunnels
01/26/81
James H. Batcheller*
Toll Collector
02/19/81
Arthur M. Fairweather*
Toll Collector
03/05/81
Homer M. Clark*
Toll Collector
03/07/81
Charles J. Foley*
Toll Collector
03/09/81
Harry P. Argento*
Maintenance Man
03/17/81
Charles L. Coggins*
Heavy Equipment Operator
04/26/81
Dewitt P. Perkins
Light Equipment Operator
06/01/81
Raymond S. Gadoury*
Toll Collector
06/16/81
Albert P. Manzi*
Vice Chairman
06/26/81
Fernand R. Brouillard*
Maintenance Clerk
06/29/81
Joseph F. Whelan*
Toll Collector
08/02/81
Leonard Johnson
Toll Collector
08/03/81
Lucien Thinel
Toll Collector
08/09/81
Ralph H. Williams*
Toll Collector/Tunnels
08/18/81
James E. Farrell
Senior Toll Collector
10/22/81
William J. Colleary*
Janitor
11/07/81
Lucien J. Pelletier*
Toll Collector
11/24/81
Charles P. Wood*
Toll Collector
12/17/81
Warren J. Caples*
Supervisor of Stores
12/24/81
*Retiree

1982: A look down the road.

Highway Trust Fund expenditures have been capped at \$8 billion – an 8% reduction from '81 figures. In addition, the success or failure of other, broad ranging proposals by the Federal Government are certain to impact on the Turnpike Authority to a greater or lesser degree.

Third Harbor Crossing

On September 18, acting on information presented in a letter from Secretary of Transportation, James F. Carlin, and a subsequent meeting with Secretary Carlin and Authority Chairman, John T. Driscoll, the federal agency agreed to fund an Environmental Impact Statement for a third harbor crossing.

Earlier concerns of the FHWA as to possible legal impediments to construct and the responsibility for handling the Environmental Impact Statement were resolved by making the Turnpike Authority the lead agency with an assurance that the final EIS would be filed with the FHWA by the cutoff date of September 30, 1983. The Turnpike Authority – working in close cooperation with the Massachusetts Department of Public Works, the FHWA and EOTC – in spite of the complexities of the process, was able to arrange for an execution of the contract in just eight weeks. The magnitude of this accomplishment can be better understood if one considers that the usual time allocation for this sort of project is nine to twelve months.

The EIS study will consider a number of alternatives for the new tunnel. One, a four-lane, two-way tunnel, would originate in the Fort Point Channel on the Boston side and connect, in East Boston, with either the Grand Junction Railroad right-of-way or with the Logan Airport in the Bird Island Flats area, each providing easy access to the East Boston Expressway (Route 1A) and the airport road system.

Two alternatives will be looked at in the Fort Point Channel. First, a one-directional northbound tunnel would be built connecting with the new harbor tunnel and the Central Artery. The present Dewey Square Tunnel would be improved to serve southbound traffic exiting the new tunnel and the Central Artery. Second, a two-directional tunnel would be built to connect with the new harbor tunnel in the vicinity of Northern Avenue. In both cases, of course, there would be easy access from the Southeast Express (I-93) and the Massachusetts Turnpike (I-90). The environmental study will also analyze the impact of a no-build option.

The study will actively seek input from the community as well as from local, state, and federal agencies, authorities and commissions. Where feasible, suggestions will be incorporated in the EIS draft. This draft will be circulated to interested government agencies and to the general public for review and comment. The study will then be finalized to include all valid comment and federal and local officials will determine whether construction of the new tunnel is to proceed. As stated, this study must be completed no later than September 30, 1983.

Charles E. Di Pesa & Co.
Certified Public Accountants
Members of the Board
Massachusetts Turnpike Authority
Boston, Massachusetts 02199

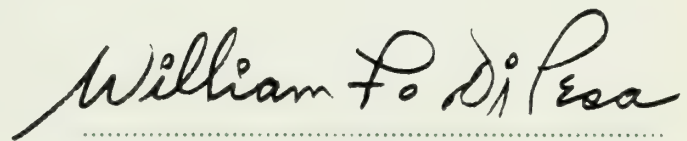
Gentlemen:

We have examined the Combined Statement of Condition of the Massachusetts Turnpike Authority as of December 31, 1981 and the related Combined Statement of Revenues and Expenses for the year then ended pursuant to the Trust Agreements. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As more fully described in the footnotes, the Authority's policy is to prepare its financial statements on the basis of accounting practices prescribed by the Trust Agreements. These practices vary in some respects from generally accepted accounting principles but are in accordance with practices followed by similar entities.

In our opinion, the aforementioned financial statements present fairly the financial position of the Massachusetts Turnpike Authority as of December 31, 1981, and the revenues and expenses for the year then ended in conformity with the provisions of the Trust Agreements and is consistent with that of the preceding year. The current year's supplementary data have been subjected to the same auditing tests and procedures and, in our opinion, are stated fairly in all material respects when considered in conjunction with the financial statements taken as a whole.

Respectfully submitted,

A handwritten signature in dark ink, reading "William F. Di Pesa". The signature is fluid and cursive, with a horizontal dotted line underneath it.

Charles E. Di Pesa & Co.
Certified Public Accountant

Massachusetts Turnpike Authority
Combined Statement of Condition
As of December 31, 1981 and 1980

	1981	1980
<i>Assets</i>		
Cash	\$ 10,315,364	\$ 11,054,037
Investments	34,920,299	34,838,874
Accrued Interest on Investments	338,382	415,151
Accounts Receivable	1,954,501	1,586,579
Inventories	550,086	475,274
Deposits, Prepaid and Deferred Items	623,921	865,722
Escrow Funds	30,770	37,450
Investment in Annuity Contract	68,073	—
Cost of Initial Turnpike, Boston Extension and Callahan-Sumner Tunnels to Date	526,400,000	526,400,000
<i>Total Assets</i>	<i>\$ 575,201,396</i>	<i>\$ 575,673,087</i>
<i>Liabilities and Fund Balances</i>		
Accounts Payable	\$ 741,128	\$ 1,165,093
Accrued Expenses and Payroll	2,050,668	1,051,787
Withholding from Employees	29,280	45,011
Deposits and Deferred Income	154,607	282,400
Bond Interest-Unpaid Coupons	24,800	28,642
Deferred Compensation	68,073	—
Split Funding-Premium Deposit Reserve	117,005	106,855
Retainage	292,800	706,592
Revenue Bonds Outstanding (Schedule A)	291,106,000	323,283,000
Bond Indebtedness Retired from Revenues (Schedule A)	235,294,000	203,117,000
Fund Balances	45,323,035	45,886,707
<i>Total Liabilities and Fund Balances</i>	<i>\$ 575,201,396</i>	<i>\$ 575,673,087</i>

*The Accompanying Footnotes are an Integral
Part of these Combined Statements*

**Massachusetts Turnpike Authority
Combined Statement of Revenues and Expenses
For the Years Ended December 31, 1981 and 1980**

<i>Revenues</i>	<i>1981</i>	<i>1980</i>
Toll Revenue (Net)	\$ 70,433,957	\$ 66,366,225
Restaurant Revenue	963,368	924,824
Service Station Revenue	1,347,419	1,670,003
Rental Income	1,362,944	383,893
Miscellaneous	325,308	250,623
Income from Investments:		
Revenue Fund	518,076	319,251
Replacement Reserve Fund	1,368,580	794,651
Bond Interest Account	866,654	678,942
Reserve Account	2,528,811	2,200,718
<i>Total Revenues</i>	<i>\$ 79,715,117</i>	<i>\$ 73,589,130</i>
<i>Operating Expenses</i>		
Administrative	\$ 3,551,235	\$ 3,375,334
Retirement	2,118,766	1,977,533
Toll Collection	7,704,369	6,676,930
Police Patrol	2,293,462	2,077,437
Maintenance of Highway, Buildings, Tunnels and Equipment	11,365,413	9,961,917
<i>Total Operating Expenses</i>	<i>\$ 27,033,245</i>	<i>\$ 24,069,151</i>
<i>Excess of Revenues Over Operating Expenses</i>	<i>\$ 52,681,872</i>	<i>\$ 49,519,979</i>
<i>Interest Requirements</i>	<i>\$ 13,113,129</i>	<i>\$ 14,129,807</i>

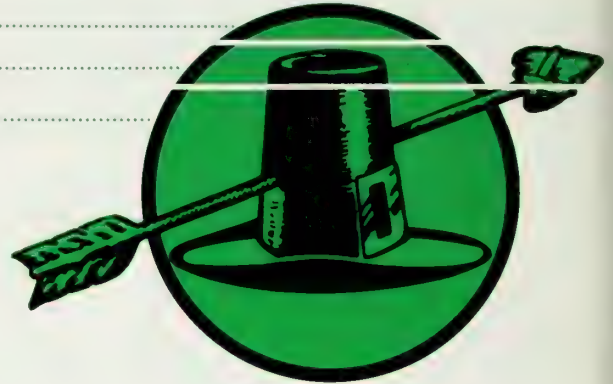
**Combined Analysis of Fund Balances
For the Years Ended December 31, 1981 and 1980**

	<i>1981</i>	<i>1980</i>
<i>Balances - beginning of year</i>	<i>\$ 45,886,707</i>	<i>\$ 43,363,061</i>
Excess of Revenues Over Operating Expenses for the Years Ended December 31, 1981 and 1980	52,681,872	49,519,979
<i>Totals</i>	<i>\$ 98,568,579</i>	<i>\$ 92,883,040</i>
<i>Disbursements</i>		
Redemption of Bonds	\$ 30,090,405	\$ 23,160,029
Payment of Bond Interest		
Interest Dates	13,086,586	14,101,433
Retirement Dates	284,323	242,456
Replacement Reserve Expenditures	9,784,230	9,492,415
<i>Total Disbursements</i>	<i>\$ 53,245,544</i>	<i>\$ 46,996,333</i>
<i>Balances - end of year</i>	<i>\$ 45,323,035</i>	<i>\$ 45,886,707</i>

*The Accompanying Footnotes are an Integral
Part of these Combined Statements*

1981 Combined Gross Revenues

5.0% Investment Income
6.6% Concessions, Rents & Other
88.4% Toll Revenue



1981 Disposition of Combined Revenues

38.0% Bond Redemption & Fund Balances
33.9% Operating Expenses
16.8% Interest Expense
11.3% Capital Replacement Program



1981 Total Bonds Issued and Retired (in millions)

526 Total Authority
254 Initial Turnpike
54 Callahan and Sumner Tunnels
218 Boston Extension

■ Issued
■ Retired



Massachusetts Turnpike Authority
Initial Turnpike
Statement of Condition
As of December 31, 1981 and 1980

	1981	1980
<i>Assets</i>		
Cash	\$ 2,983,198	\$ 3,304,627
Investments	10,938,290	13,999,551
Accrued Interest on Investments	131,333	140,044
Accounts Receivable	1,351,479	1,438,136
Inventories	498,674	454,918
Deposits, Prepaid and Deferred Items	302,034	356,786
Escrow Funds	30,770	37,450
Investment in Annuity Contract	68,073	—
Due from Other Funds	616,736	614,162
Cost of Turnpike to Date	254,000,000	254,000,000
<i>Total Assets</i>	<i>\$ 270,920,587</i>	<i>\$ 274,345,674</i>
<i>Liabilities and Fund Balances</i>		
Accounts Payable	\$ 639,938	\$ 879,828
Accrued Expenses and Payroll	1,001,009	555,110
Withholding from Employees	29,280	45,011
Deposits and Deferred Income	47,261	48,999
Bond Interest-Unpaid Coupons	18,728	20,130
Deferred Compensation	68,073	—
Due to Other Funds	548,678	581,637
Retainage	234,006	600,459
Split Funding-Premium Deposit Reserve	117,005	106,855
Turnpike Revenue Bonds:		
1954 Series-3.3%-239M		
Dated May 1, 1954		
Due May 1, 1994		
Bonds Outstanding	44,814,000	72,313,000
Bonds Purchased and Retired	194,186,000	166,687,000
1968 Series-5¼%-15M		
Dated November 1, 1968		
Due May 1, 2008		
Bonds Outstanding	7,200,000	8,130,000
Bonds Purchased and Retired	7,800,000	6,870,000
Fund Balances	14,216,609	17,507,645
<i>Total Liabilities and Fund Balances</i>	<i>\$ 270,920,587</i>	<i>\$ 274,345,674</i>

*The Accompanying Footnotes are an Integral
Part of these Combined Statements*

Massachusetts Turnpike Authority
Initial Turnpike
Statement of Revenues and Expenses
For the Years Ended December 31, 1981 and 1980

	1981	1980
<i>Revenues</i>		
Toll Revenue (Net)	\$ 40,993,549	\$ 38,578,488
Restaurant Revenue	963,368	924,824
Service Station Revenue	1,347,419	1,670,003
Miscellaneous	250,618	222,611
Income from Investments:		
Revenue Fund	410,862	257,700
Replacement Reserve Fund	1,009,357	643,339
Bond Interest Account	199,131	192,840
Reserve Account	604,144	662,011
<i>Total Revenues</i>	<i>\$ 45,778,448</i>	<i>\$ 43,151,816</i>
<i>Operating Expenses</i>		
Administrative	\$ 2,334,237	\$ 2,167,369
Retirement	1,140,742	1,148,050
Toll Collection	4,636,711	4,012,563
Police Patrol	1,958,855	1,743,716
Engineering and Maintenance	8,153,865	7,168,300
<i>Total Operating Expenses</i>	<i>\$ 18,224,410</i>	<i>\$ 16,239,998</i>
<i>Excess of Revenues Over Operating Expenses</i>	<i>\$ 27,554,038</i>	<i>\$ 26,911,818</i>
<i>Interest Requirements</i>	<i>\$ 2,484,465</i>	<i>\$ 3,333,073</i>
<i>Percentage of Interest Earned</i>	<i>1109.05</i>	<i>807.42</i>

Initial Turnpike, Chapter 354 of the Acts of 1952
Analysis of Fund Balances
For the Years Ended December 31, 1981 and 1980

	1981	1980
<i>Balances - beginning of year</i>	<i>\$ 17,507,645</i>	<i>\$ 16,933,703</i>
Excess of Revenues Over Operating Expenses for the Years Ended December 31, 1981 and 1980	27,554,038	26,911,818
<i>Transfers</i>		
Excess Revenue Transferred from Boston Extension to Bond Redemption	6,656,144	4,822,276
<i>Totals</i>	<i>\$ 51,717,827</i>	<i>\$ 48,667,797</i>
<i>Disbursements</i>		
Redemption of Bonds	\$ 26,942,354	\$ 20,225,354
Payment of Bond Interest		
Interest Dates	2,453,210	3,299,242
Retirement Dates	236,985	198,242
Replacement Reserve Expenditures	7,868,669	7,437,314
<i>Total Disbursements</i>	<i>\$ 37,501,218</i>	<i>\$ 31,160,152</i>
<i>Balances - end of year</i>	<i>\$ 14,216,609</i>	<i>\$ 17,507,645</i>

The Accompanying Footnotes are an Integral
Part of these Combined Statements

Massachusetts Turnpike Authority
Callahan-Sumner Tunnels
Statement of Condition
As of December 31, 1981 and 1980

	1981	1980
<i>Assets</i>		
Cash	\$ 751,697	\$ 723,182
Investments	5,576,887	5,249,348
Accrued Interest on Investments	20,119	40,232
Accounts Receivable	79,028	65,535
Inventories	445	1,956
Deposits, Prepaid and Deferred Items	188,166	322,451
Due from Other Funds	166,612	54,070
Cost of Tunnel To Date	54,400,000	54,400,000
<i>Total Assets</i>	<i>\$ 61,182,954</i>	<i>\$ 60,856,774</i>
<i>Liabilities and Fund Balances</i>		
Accounts Payable	\$ 42,338	\$ 110,712
Accrued Expenses and Payroll	397,501	289,825
Deposits and Deferred Income	69,790	96,590
Bond Interest-Unpaid Coupons	2,280	2,280
Due to Other Funds	172,275	52,965
Tunnel Revenue Bonds:		
1959 Series - 54.4M		
Dated April 1, 1959		
Due April 1, 1999		
Bonds Outstanding:		
4¾%	20,703,000	23,740,000
4¼%	389,000	1,100,000
Bonds Purchased and Retired - 4¾%	32,097,000	29,060,000
Bonds Purchased and Retired - 4¼%	1,211,000	500,000
Fund Balances	6,098,770	5,904,402
<i>Total Liabilities and Fund Balances</i>	<i>\$ 61,182,954</i>	<i>\$ 60,856,774</i>

*The Accompanying Footnotes are an Integral
Part of these Combined Statements*

Massachusetts Turnpike Authority
Callahan-Sumner Tunnels
Statement of Revenues and Expenses
For the Years Ended December 31, 1981 and 1980

	1981	1980
<i>Revenues</i>		
Toll Revenue (Net)	\$ 8,215,566	\$ 7,894,302
Rental Income	53,500	60,500
Miscellaneous	27,520	5
Income from Investments:		
Revenue Fund	42,619	29,977
Replacement Reserve Fund	137,529	64,311
Bond Interest Account	73,500	87,487
Reserve Account	396,022	328,338
<i>Total Revenues</i>	<i>\$ 8,946,256</i>	<i>\$ 8,464,920</i>
<i>Operating Expenses</i>		
Administrative	\$ 513,451	\$ 451,641
Retirement	372,661	450,739
Toll Collection	1,469,576	1,239,124
Police Patrol	122,901	96,776
Maintenance and Operation of Tunnels	1,577,274	1,334,713
<i>Total Operating Expenses</i>	<i>\$ 4,055,863</i>	<i>\$ 3,572,993</i>
<i>Excess of Revenues Over Operating Expenses</i>	<i>\$ 4,890,393</i>	<i>\$ 4,891,927</i>
<i>Interest Requirements</i>	<i>\$ 1,101,664</i>	<i>\$ 1,269,734</i>
<i>Percentage of Interest Earned</i>	<i>443.91</i>	<i>385.27</i>

Callahan-Sumner Tunnels
Analysis of Fund Balances
For the Years Ended December 31, 1981 and 1980

	1981	1980
<i>Balances - beginning of year</i>	<i>\$ 5,904,402</i>	<i>\$ 5,846,242</i>
Excess of Revenues Over Operating Expenses for the Years Ended December 31, 1981 and 1980	4,890,393	4,891,927
<i>Totals</i>	<i>\$ 10,794,795</i>	<i>\$ 10,738,169</i>
<i>Disbursements</i>		
Redemption of Bonds	\$ 3,148,051	\$ 2,934,675
Payment of Bond Interest		
Interest Dates	1,106,376	1,275,194
Retirement Dates	47,338	44,211
Replacement Reserve Expenditures	394,260	579,687
<i>Total Disbursements</i>	<i>\$ 4,696,025</i>	<i>\$ 4,833,767</i>
<i>Balances - end of year</i>	<i>\$ 6,098,770</i>	<i>\$ 5,904,402</i>

*The Accompanying Footnotes are an Integral
Part of these Combined Statements*

Massachusetts Turnpike Authority
 Boston Extension
 Statement of Condition
 As of December 31, 1981 and 1980

	1981	1980
<i>Assets</i>		
Cash	\$ 6,580,469	\$ 7,026,228
Investments	18,405,122	15,589,975
Accrued Interest on Investments	186,930	234,875
Accounts Receivable	523,994	82,908
Inventories	50,967	18,400
Deposits, Prepaid and Deferred Items	133,721	186,485
Due from Other Funds	455,759	165,532
Cost of Boston Extension to Date	218,000,000	218,000,000
<i>Total Assets</i>	<i>\$ 244,336,962</i>	<i>\$ 241,304,403</i>
<i>Liabilities and Fund Balances</i>		
Accounts Payable	\$ 58,852	\$ 174,553
Accrued Expenses and Payroll	652,158	206,852
Deposits and Deferred Income	37,556	136,811
Bond Interest-Unpaid Coupons	3,792	6,232
Due to Other Funds	518,154	199,162
Retainage	58,794	106,133
Boston Extension Revenue Bonds:		
1962 Series—218M Dated January 1962		
Due January 1, 2002		
Bonds Outstanding		
Series A—4¾%	100,000,000	100,000,000
Series A—4.15%	38,000,000	38,000,000
Series B—4-5%	80,000,000	80,000,000
Fund Balances	25,007,656	22,474,660
<i>Total Liabilities and Fund Balances</i>	<i>\$ 244,336,962</i>	<i>\$ 241,304,403</i>

*The Accompanying Footnotes are an Integral
 Part of these Combined Statements*

Massachusetts Turnpike Authority
 Boston Extension
 Statement of Revenues and Expenses
 For the Years Ended December 31, 1981 and 1980

	1981	1980
<i>Revenues</i>		
Toll Revenue (Net)	\$ 21,224,842	\$ 19,893,435
Rental Income	1,309,444	323,393
Miscellaneous	47,170	28,007
Income from Investments:		
Revenue Fund	64,595	31,574
Replacement Reserve Fund	221,694	87,001
Bond Interest Account	594,023	398,615
Reserve Account	1,528,645	1,210,369
<i>Total Revenues</i>	<i>\$ 24,990,413</i>	<i>\$ 21,972,394</i>
<i>Operating Expenses</i>		
Administrative	\$ 703,547	\$ 756,324
Retirement	605,363	378,744
Toll Collection	1,598,082	1,425,243
Police Patrol	211,706	236,945
Maintenance of Highway, Buildings and Equipment	1,634,274	1,458,904
<i>Total Operating Expenses</i>	<i>\$ 4,752,972</i>	<i>\$ 4,256,160</i>
<i>Excess of Revenues Over Operating Expenses</i>	<i>\$ 20,237,441</i>	<i>\$ 17,716,234</i>
<i>Interest Requirements</i>	<i>\$ 9,527,000</i>	<i>\$ 9,527,000</i>
<i>Percentage of Interest Earned</i>	<i>212.42</i>	<i>185.96</i>

Boston Extension, Chapter 354 of the Acts of 1952
 Analysis of Fund Balances
 For the Years Ended December 31, 1981 and 1980

	1981	1980
<i>Balances - beginning of year</i>	<i>\$ 22,474,660</i>	<i>\$ 20,583,116</i>
Excess of Revenue Over Operating Expenses for the Years Ended December 31, 1981 and 1980	20,237,441	17,716,234
<i>Totals</i>	<i>\$ 42,712,101</i>	<i>\$ 38,299,350</i>
<i>Disbursements</i>		
Payment of Bond Interest	\$ 9,527,000	\$ 9,527,000
Replacement Reserve Expenditures	1,521,301	1,475,414
Transfers		
Excess Revenue Transferred to Initial Turnpike for Bond Redemption	6,656,144	4,822,276
<i>Total Disbursements</i>	<i>\$ 17,704,445</i>	<i>\$ 15,824,690</i>
<i>Balances - end of year</i>	<i>\$ 25,007,656</i>	<i>\$ 22,474,660</i>

*The Accompanying Footnotes are an Integral
 Part of these Combined Statements*

Massachusetts Turnpike Authority
Combined Bond Indebtedness
Bonds Outstanding and Retired From Revenues -
as of December 1981 and December 1980

Schedule A (With Comparative Figures for 1980)	Original Amount Authorized and Issued	Acquired and Cancelled in Prior Years	Amount Outstanding 12/31/80	Acquired by Sinking Fund and Cancelled During 1981	Amount Outstanding 12/31/81
Initial Turnpike Revenue Bond					
Series 1954-3.30%					
Dated May 1, 1954					
Due May 1, 1994	\$239,000,000	\$166,687,000	\$72,313,000	\$ 27,499,000	\$ 44,814,000
Series 1968-5¼%					
Dated November 1, 1968					
Due May 1, 2008	15,000,000	6,870,000	8,130,000	930,000	7,200,000
	\$254,000,000	\$173,557,000	\$ 80,443,000	\$ 28,429,000	\$ 52,014,000
Boston Extension Revenue Bond					
Series 1962					
Dated January 1, 1962					
Due January 1, 2002					
Series A-4¾%	\$100,000,000		\$100,000,000		\$100,000,000
Series A-4.15%	38,000,000		38,000,000		38,000,000
Series B-4-5%	80,000,000		80,000,000		80,000,000
	\$218,000,000		\$218,000,000		\$218,000,000
Callahan-Sumner Tunnels Revenue Bond					
Series 1959					
Dated April 1, 1959					
Due April 1, 1999					
4¾%	\$ 52,800,000	\$ 29,060,000	\$ 23,740,000	\$ 3,037,000	\$ 20,703,000
4¼%	1,600,000	500,000	1,100,000	711,000	389,000
	\$ 54,400,000	29,560,000	\$ 24,840,000	\$ 3,748,000	\$ 21,092,000
Total Bonds	\$526,400,000	\$203,117,000	\$323,283,000	\$32,177,000	\$291,106,000

*The Accompanying Footnotes are an Integral
Part of these Combined Statements*

Massachusetts Turnpike Authority
Combined Revenues, Operating Expenses
and Bond Interest Requirements
For the Years Ended December 31, 1981 and 1980

Revenues, Operating Expenses, and Net Revenues	Gross Revenues		Operating Expenses		Net Revenues	
	1981	1980	1981	1980	1981	1980
Initial Turnpike	\$45,778,448	\$43,151,816	\$18,224,410	\$16,239,998	\$27,554,038	\$26,911,818
Callahan-Sumner Tunnels	8,946,256	8,464,920	4,055,863	3,572,993	4,890,393	4,891,927
Boston Extension	24,990,413	21,972,394	4,752,972	4,256,160	20,237,441	17,716,234
Totals	\$79,715,117	\$73,589,130	\$27,033,245	\$24,069,151	\$52,681,872	\$49,519,979

	Net Revenues		Interest Requirements		Percentage of Interest Earned	
	1981	1980	1981	1980	1981	1980
Initial Turnpike	\$27,554,038	\$26,911,818	\$ 2,484,465	\$ 3,333,073	1109.05	807.42
Callahan-Sumner Tunnels	4,890,393	4,891,927	1,101,664	1,269,734	443.91	385.27
Boston Extension	20,237,441	17,716,234	9,527,000	9,527,000	212.42	185.96
Totals	\$52,681,872	\$49,519,979	\$13,113,129	\$14,129,807	401.75	350.46

*The Accompanying Footnotes are an Integral
Part of these Combined Statements*

Massachusetts Turnpike Authority

Financial Footnotes

Footnote A – General

The Authority operates three separate and financially distinct facilities, i.e., The Initial Turnpike, The Callahan-Sumner Tunnels, and The Boston Extension of the Massachusetts Turnpike. These facilities were financed by means of revenue bond issues totaling \$526,400,000. Neither the faith and credit nor the taxing power of the Commonwealth of Massachusetts or of any political subdivision thereof is pledged to the payment of the principal or interest on the bonds. The funds providing for the maintenance, operation and policing of these facilities, as well as principal and interest payments on the bond issues, are derived solely from tolls and other revenues generated by users.

Footnote B – The Enabling Act

By Chapter 354 of the Acts of 1952 of the Commonwealth of Massachusetts, the Massachusetts Turnpike Authority was duly created a body politic and corporate and a public instrumentality of the Commonwealth of Massachusetts and was authorized and empowered to construct, maintain, repair and operate a toll express highway, known as the "Massachusetts Turnpike". Chapter 598 of the Acts of 1958 authorized and empowered the Massachusetts Turnpike Authority to acquire from the city of Boston the Sumner Tunnel and to construct and operate an additional vehicular tunnel between Boston proper and East Boston known as the Callahan Tunnel).

Footnote C – Summary of Significant Accounting Policies

1. General Accounting Practices

All accounts and records of the Authority are maintained in accordance with accounting practices consistent with the provisions of the following trust agreements: -The Trust Agreement dated as of May 1, 1954, relating to the Initial Turnpike; Trust Agreement dated as of April 1, 1959, relating to the Tunnel Revenue Bonds; and the Supplemental Trust Agreement dated as of January 1, 1962, relating to the Boston Extension. As a result of the terms of the bond resolu-

tions and the related interpretation thereof, the Authority's accounting practices differ in certain respects from generally accepted accounting principles but are in accordance with accounting practices followed by similar entities.

2. Combined Financial Statements

In addition to the financial statements which are required to be presented annually for each of the three financially distinct facilities and bond issues secured by the foregoing trust agreements, the Authority, as a matter of policy and public information, also presents in its Annual Report financial statements reflecting the combined financial condition of the Initial Turnpike, Callahan-Sumner Tunnels, and Boston Extension.

3. Fiscal Year

The Authority's fiscal year is the calendar year.

4. Method of Accounting

The funds and accounts of the Authority are maintained on the accrual basis except for payments of bond interest which are paid out of the Sinking Fund Bond Interest Account on the cash basis.

5. Inventories

Inventories consist primarily of sodium chloride, calcium chloride, sand, bulk gasoline, and highway guardrail. Inventories are valued at cost utilizing the FIFO method.

6. Cost of Projects

The cost of Authority projects includes all costs for acquisition and construction, legal expenses and fees, financing charges, preparation and issuance of bonds, and all other items of expense defined and authorized in the trust agreements.

7. Revenues

All monies received by the Authority are deposited with The First National Bank of Boston, Trustee, or other bank depositories, and are held in trust and applied only in accordance with the provisions of the trust agreements. All monies deposited with the Trustee, or any other depository, are continuously secured for the benefit of the Authority and bondholders by marketable securities eligible as security for the deposit of trust funds and are approved and held by The First National Bank of Boston, Trustee. On or before the fifteenth day of each month, all monies held for the credit of the revenue funds on the last day of the preceding month, less an amount held for reserve for current expenses, are transferred by the Trustee and credited to the following accounts or funds:

- a.) To the Sinking Fund Bond Interest Accounts, such amounts, if any, as may be required to make the balances therein equal to the amount of interest which will become payable within the next ensuing six months on all bonds then outstanding;
- b.) To the Replacement Reserve Funds, such amounts, if any, as may be required to make the amount deposited in each fiscal year equal to the amounts recommended by the Consulting Engineers;
- c.) To the Sinking Fund Reserve Accounts, such amounts, if any, as may be required to make the amount equal to the interest reserve requirements specified in the trust agreements;
- d.) In the case of the Initial Turnpike and the Callahan-Sumner Tunnels, to the Redemption Accounts, the balance, if any, remaining after making deposits under clauses, a, b, and c above; and, in the case of the Boston Extension, to the Redemption Account in the Initial Turnpike Sinking Fund, the balance, if any, remaining after making the deposits.

8. Operating Expenses

The term "current expenses" (operating expenses) as defined in the Trust Agreements excludes any extraordinary maintenance, repairs, or allowance for depreciation. The Agreements provide that the Authority will on or before the first day of each fiscal year adopt annual budgets. The amended annual budgets of operating expenses for 1981 for the three facilities totaled \$27,183,000 as compared to actual expenses of \$27,033,245.

a.) Retirement System - By the enactment of Chapter 597 of the Acts of 1967, and acceptance thereof by the Authority, the Commonwealth of Massachusetts created the Massachusetts Turnpike Authority Employees' Retirement System. Accordingly, effective July 1, 1968, employees of the Authority are entitled to retirement benefits in accordance with the provisions of the Massachusetts Contributory Retirement Law (Chapter 32 of the General Laws, Sections 1-28). Pursuant to Section 22 (7) (e) of Chapter 32, the Authority is required to pay annually to the Massachusetts Turnpike Authority Employees' Retirement System, amounts certified by the State Actuary as necessary for payment of pension benefits to retired employees of the Authority and their beneficiaries and for the expenses of said system.

As of December 31, 1979 the Authority's actuarial consultant estimated the unfunded past service liability for the three entities to be \$23,400,300. By the enactment of Chapter 566 of the Acts of 1978, amending Chapter 32 of the General Laws, provision was made for the funding of the Retirement System of the Massachusetts Turnpike Authority. Under this Amendment, the Authority is required to fund the sum of (a) the normal pension cost for the current year, and (b) an amount sufficient to amortize unfunded past service liability prior to dissolution of the Authority.

Pursuant to Chapter 597 of the Acts of 1967 and Chapter 566 of the Acts of 1968, during fiscal year 1981, \$1,498,300 was expensed to the Retirement System for the Pension and Expense Funds, and \$600,000 for past service liability.

9. Replacement Reserve Funds

These funds are held for the purpose of paying for the cost of resurfacing, replacement or reconstruction, usual or extraordinary maintenance or repairs, renewals and replacements, the cost of replacing equipment, engineering expenses and premiums on insurance carried under the provisions of the trust agreements. As provided in the trust agreements, the Consulting Engineers are required annually to inspect the Authority's facilities and report to the Authority their findings and recommendations as to: a) estimate of the amount necessary for proper maintenance, repair and operation during the ensuing fiscal year, b) insurance to be carried under the provisions of the trust agreements, and c) amounts to be deposited during the ensuing fiscal year to the credit of the replacement reserve funds. For fiscal year 1981, the Consulting Engineers recommended the following amounts be deposited to the three replacement funds, and such amounts were so deposited: Initial Turnpike, \$6,500,000, Callahan-Sumner Tunnels, \$500,000; and the Boston Extension, \$2,000,000.

The estimated value of contracts outstanding as of December 31, 1981 for major repairs, renewals, and replacement programs is \$4,124,800.

Footnote D - Sinking Fund and Net Revenue Requirements

The Trust Agreements require the Authority to take certain actions in the event the amounts deposited to the sinking funds, or net revenues in the case of the Boston Extension, are less than those referred to in Section 501 of the trust agreements. In 1981, the net revenues of the Boston Extension, were less than those referred to in the Supplemental Trust Agreement. The Authority is therefore required to request the Traffic Engineers to submit their recommendation with respect to a revision in the schedule of tolls, and the Trustee is required to notify the principal underwriters and bondholders of record of this deficiency. The Authority and the Trustee have fulfilled their respective obligations under the terms of the trust agreements and the Traffic Engineers have been so notified to submit their recommendations.

Footnote E - Lease and Installment Purchase Commitments

The Authority has entered into the following lease and installment purchase agreements which are in full force and effect as of December 31, 1981.

1. Rental of Administrative Offices in the city of Boston for the five year period terminating July 31, 1986.
2. Installment purchases for data processing equipment - During 1976 and 1978, the Authority executed amendments to the original 1971 agreement providing for certain enhancements and additions to existing data processing equipment. Payments under the installment purchase amendments are to be made over the respective seven year periods.
3. Lease Agreement providing for the rental of automatic toll collection equipment located at the Boston Extension and Callahan-Sumner Tunnels - The original lease agreements have been extended for a period terminating February 28, 1984 for the Boston Extension, and May 21, 1984 for the Callahan-Sumner Tunnels.

On January 31, 1980, the Urban Investment and Development Company entered into an amended lease with the Authority for ninety-nine years for the air rights over property located in the Copley Square area of Boston. The company will construct a hotel, retail, office and residential complex on the site. Construction of the project commenced November, 1980. The amended lease provides for revised rental payments of \$1,200,000 annually beginning with the commencement of construction and continuing through February 15, 2002. After dissolution of the Authority any subsequent lease payments will revert to the Commonwealth of Massachusetts.

Footnote G - Litigation

The Authority is contingently liable under pending litigation and/or claims in which the Authority is the defendant. In the opinion of the Authority, the total potential liability of such actions would not materially affect its financial statements.

Massachusetts Turnpike Authority
Initial Turnpike
Financial Results of Operation 1975-1981

<i>(Dollars in Thousands)</i>	1975	1976	1977	1978	1979	1980	1981
Gross Toll Revenue	\$ 25,885	\$ 27,580	\$ 29,355	\$ 31,129	\$ 31,100	\$ 39,053	41,482
Less Volume Discounts	(275)	(311)	(325)	(351)	(381)	(475)	(488)
Net Toll Revenue	\$ 25,610	\$ 27,269	\$ 29,030	\$ 30,778	\$ 30,719	\$ 38,578	40,994
Restaurant Revenue	748	767	807	863	870	925	963
Service Station Revenue	1,703	1,697	1,665	1,726	1,873	1,670	1,347
Miscellaneous	175	168	182	165	201	223	251
Income from Investments	1,430	1,215	1,194	1,429	1,658	1,756	2,223
Gross Revenues	\$ 29,666	\$ 31,116	\$ 32,878	\$ 34,961	\$ 35,321	\$ 43,152	\$ 45,778
Operating Expenses	\$ 10,162	\$ 11,140	\$ 12,118	\$ 13,247	\$ 14,387	\$ 16,240	\$ 18,224
Net Revenues	\$ 19,504	\$ 19,976	\$ 20,760	\$ 21,714	\$ 20,934	\$ 26,912	\$ 27,554
Bond Interest	\$ 5,456	\$ 5,057	\$ 4,664	\$ 4,264	\$ 3,845	\$ 3,333	\$ 2,484
Per Cent of Interest Earned	357.48	394.99	445.07	509.25	544.45	807.42	1109.04
Deposits to Replacement Reserve	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,500	\$ 7,000	\$ 8,000	\$ 6,500
<i>\$254,000,000 Revenue</i>							
<i>Bonds</i>							
Retired During Year	\$ 12,149	\$ 11,876	\$ 11,375	\$ 12,651	\$ 11,804	\$ 22,219	\$ 28,429
Average Price Paid	76.14	84.94	91.82	92.44	86.35	91.03	94.77
Retired to Date	\$103,632	\$115,508	\$126,883	\$139,534	\$151,338	\$173,557	\$201,986
Per Cent Retired to Date	40.8	45.5	50.0	54.9	59.6	68.3	79.5
Bonds Outstanding	\$150,368	\$138,492	\$127,117	\$114,466	\$102,662	\$ 80,443	\$ 52,014

Massachusetts Turnpike Authority
Boston Extension
Financial Results of Operation 1975-1981

<i>(Dollars in Thousands)</i>	1975	1976	1977	1978	1979	1980	1981
Net Toll Revenue	\$13,024	\$13,861	\$14,575	\$15,339	\$15,835	\$19,893	\$21,225
Rental & Miscellaneous							
Income	182	193	217	188	315	351	1,356
Income from Investments	920	988	1,016	1,119	1,508	1,728	2,409
Gross Revenues	\$14,126	\$15,042	\$15,808	\$16,646	\$17,658	\$21,972	\$24,990
Operating Expenses	\$ 2,671	\$ 2,950	\$ 3,239	\$ 3,500	\$ 3,779	\$ 4,256	\$ 4,753
Net Revenues	\$11,455	\$12,092	\$12,569	\$13,146	\$13,878	\$17,716	\$20,237
Bond Interest	\$ 9,527	\$ 9,527	\$ 9,527	\$ 9,527	\$ 9,527	\$ 9,527	\$ 9,527
Per Cent of Interest							
Earned	120.24	126.92	131.93	137.99	145.67	185.96	212.42
Deposits to Replacement							
Reserve	\$ 995	\$ 1,000	\$ 1,500	\$ 1,800	\$ 2,300	\$ 1,500	\$ 2,000
Balance in General							
Reserve	\$10,333	\$11,106	\$11,912	\$12,729	\$13,810	\$15,021	\$16,549
Transfer to Initial							
Turnpike	\$ 110	\$ 696	\$ 585	\$ 819	\$ 635	\$ 4,822	\$ 6,656

Massachusetts Turnpike Authority
Callahan-Sumner Tunnels
Financial Results of Operation 1975-1981

<i>(Dollars in Thousands)</i>	1975	1976	1977	1978	1979	1980	1981
Net Toll Revenue	\$ 6,126	\$ 6,398	\$ 6,343	\$ 6,575	\$ 7,044	\$ 7,894	\$ 8,215
Rental & Miscellaneous							
Income	46	44	98	61	66	61	81
Income from Investments	366	346	326	331	481	510	650
Gross Revenues	\$ 6,538	\$ 6,788	\$ 6,767	\$ 6,967	\$ 7,591	\$ 8,465	\$ 8,946
Operating Expenses	\$ 2,340	\$ 2,602	\$ 2,800	\$ 2,961	\$ 3,037	\$ 3,573	\$ 4,056
Net Revenues	\$ 4,198	\$ 4,186	\$ 3,967	\$ 4,006	\$ 4,554	\$ 4,892	\$ 4,890
Bond Interest	\$ 1,825	\$ 1,722	\$ 1,622	\$ 1,524	\$ 1,407	\$ 1,270	\$ 1,102
Per Cent of Interest							
Earned	230.02	243.13	244.52	262.83	323.70	385.27	443.91
Deposits to Replacement							
Reserve	\$ 600	\$ 500	\$ 300	\$ 400	\$ 500	\$ 600	\$ 500
<i>\$54,400,000 Revenue</i>							
<i>Bonds</i>							
Retired During Year	\$ 2,080	\$ 2,228	\$ 2,033	\$ 2,288	\$ 2,570	\$ 3,517	\$ 3,748
Average Price Paid	84.88	88.70	94.43	94.19	92.95	83.44	83.99
Retired to Date	\$16,924	\$19,152	\$21,185	\$23,473	\$26,043	\$29,560	\$33,308
Per Cent Retired to							
Date	31.1	35.2	38.9	43.1	47.9	54.3	61.2
Bonds Outstanding	\$37,476	\$35,248	\$33,215	\$30,927	\$28,357	\$24,840	\$21,092

Massachusetts Turnpike Authority
Initial Turnpike
Class Comparison - 1981 vs. 1980

Class Description	Transactions		Increase or (Decrease)	%	Revenue		Increase or (Decrease)	%
	1981	1980			1981	1980		
1. Passenger Vehicle or Light Truck (Taxis, Suburbans, Ambulances, Motorcycles, Hearses)	38,277,425	37,145,932	1,131,493	3.0	\$28,304,976	\$26,708,039	\$1,596,937	6.0
2. Passenger Vehicle or Light Truck with One or Two Axle Trailer	237,314	233,352	3,962	1.7	330,579	322,098	8,481	2.6
3. Trucks - Five or More Axles	2,200,335	2,082,366	117,969	5.7	7,639,615	6,954,461	685,154	9.9
5. Medium Trucks - Dual Tires with Two Axles	939,526	941,366	(1,840)	(.2)	1,265,852	1,215,790	50,062	4.1
6. Trucks - Three Axles	229,098	220,721	8,377	3.8	393,680	364,768	28,912	7.9
7. Trucks - Four Axles	820,593	876,933	(56,340)	(6.4)	2,115,497	2,170,158	(54,661)	(2.5)
8. Bus	226,705	237,829	(11,124)	(4.7)	403,938	422,289	(18,351)	(4.3)
9. Tandem Trailer - Units	73,309	67,571	5,738	8.5	997,475	873,024	124,451	14.3
10. Non-Revenue Vehicles	255,027	250,477	4,550	1.8				.0
Totals	43,259,332	42,056,547	1,202,785	2.9	\$41,451,612	\$39,030,627	\$2,420,985	6.2

Massachusetts Turnpike Authority
Boston Extension
Class Comparison 1981 vs. 1980

Class Description	Transactions		Increase or (Decrease)	%	Revenue		Increase or (Decrease)	%
	1981	1980			1981	1980		
1. Passenger Vehicle or Light Truck (Taxis, Suburbans, Ambulances, Motorcycles, Hearses)	55,302,549	53,743,041	1,559,508	2.9	\$19,048,557	\$17,770,928	\$1,277,629	7.2
2. Passenger Vehicle or Light Truck with One or Two Axle Trailer	54,275	54,191	84	.2	37,328	36,440	888	2.4
3. Trucks - Five or More Axles	817,183	768,945	48,238	6.3	741,806	669,378	72,428	10.8
5. Medium Trucks - Dual Tires with Two Axles	1,175,746	1,191,807	(16,061)	(1.3)	525,979	514,642	11,337	2.2
6. Trucks - Three Axles	217,229	199,428	17,801	8.9	123,404	109,581	13,823	12.6
7. Trucks - Four Axles	439,991	481,761	(41,770)	(8.7)	308,971	323,575	(14,604)	(4.5)
8. Bus	637,149	682,286	(45,137)	(6.6)	389,953	432,610	(42,657)	(9.9)
9. Tandem Trailer - Units	23,980	21,875	2,105	9.6	31,174	27,411	3,763	13.7
10. Non-Revenue Vehicles	231,816	233,564	(1,748)	(.7)				.0
Totals	58,899,918	57,376,898	1,523,020	2.7	\$21,207,172	\$19,884,565	\$1,322,607	6.7

Massachusetts Turnpike Authority
Callahan-Sumner Tunnels
Class Comparison 1981 vs. 1980

Class Description	Transactions		Increase or (Decrease)	%	Revenue		Increase or (Decrease)	%
	1981	1980			1981	1980		
1. Passenger Car, Taxi Light Truck, Ambulance, Motorcycle, Hearse)	24,986,362	24,797,759	188,603	.8	\$7,488,949	\$7,230,920	\$258,029	3.6
2. Passenger Car with Single Axle Trailer, Two Axle Single Tire Truck with Single-Axle Trailer	8,304	8,810	(506)	(5.7)	3,322	3,447	(125)	(3.6)
4. Trucks - Five or more Axles	15,563	22,683	(7,120)	(31.4)	8,560	12,161	(3,601)	(29.6)
5. Two-Axle Dual- Tire Truck	401,358	395,633	5,725	1.4	160,543	151,555	8,988	5.9
6. Three Axle Truck, Two-Axle Dual-Tire, Truck with Single Axle Trailer	33,463	35,456	(1,993)	(5.6)	15,058	15,379	(321)	(2.1)
7. Four Axle Truck with or without Trailer; Class 1 Vehicle with Two-Axle Trailer	62,620	63,337	(717)	(1.1)	31,310	30,706	604	2.0
8. Bus	163,270	154,654	8,616	5.6	48,981	47,557	1,424	3.0
9. Commuter	2,236,414	2,012,759	223,655	11.1	447,283	402,552	44,731	11.1
10. Non-Revenue	179,439	167,799	11,640	6.9				.0
Totals	28,086,793	27,658,890	427,903	1.5	\$8,204,006	\$7,894,277	\$309,729	3.9

Massachusetts Turnpike Authority
Initial Turnpike
Comparison of Interchange Transactions - 1981 vs. 1980

Interchange	No.	Entry		Increase or (Decrease)	%	Exit		Increase or (Decrease)	%
		1981	1980			1981	1980		
W. Stockbridge	1.	1,891,446	1,815,756	75,690	4.2	1,851,805	1,771,044	80,761	4.6
Lee	2.	900,614	880,202	20,412	2.3	938,417	916,770	21,647	2.4
Westfield	3.	1,293,100	1,304,171	(11,071)	(.8)	1,322,008	1,333,738	(11,730)	(.9)
W. Springfield	4.	2,378,775	2,356,111	22,664	1.0	2,436,982	2,421,747	15,235	.6
Chicopee	5.	1,277,396	1,334,016	(56,620)	(4.2)	1,167,598	1,168,922	(1,324)	(.1)
Springfield	6.	1,899,206	1,881,991	17,215	.9	1,952,486	1,965,013	(12,527)	(.6)
Ludlow	7.	1,015,935	988,701	27,234	2.8	971,284	953,602	17,682	1.9
Palmer	8.	1,210,176	1,177,345	32,831	2.8	1,182,606	1,160,067	22,539	1.9
Sturbridge	9.	4,689,799	4,525,471	164,328	3.6	4,724,704	4,571,648	153,056	3.3
Auburn	10.	3,673,366	3,532,795	140,571	4.0	3,588,594	3,461,197	127,397	3.7
Millbury	11.	884,271	844,205	40,066	4.7	996,708	957,180	39,528	4.1
Westborough	11.A	3,119,677	2,891,812	227,865	7.9	3,023,473	2,807,364	216,109	7.7
Framingham	12.	2,628,317	2,703,588	(75,271)	(2.8)	2,783,000	2,836,246	(53,246)	(1.9)
Natick	13.	4,660,726	4,423,142	237,584	5.4	4,677,517	4,433,074	244,443	5.5
Weston	14.	5,816,524	5,662,215	154,309	2.7	5,607,156	5,417,891	189,265	3.5
Newton	15.	5,920,004	5,735,026	184,978	3.2	6,034,994	5,881,044	153,950	2.6
Totals		43,259,332	42,056,547	1,202,785	2.9	43,259,332	42,056,547	1,202,785	2.9

Massachusetts Turnpike Authority
Initial Turnpike
Comparison of Interchange Revenues - 1981 vs. 1980

Interchange	No.	Entry		Increase or (Decrease)	%	Exit		Increase or (Decrease)	%
		1981	1980			1981	1980		
W. Stockbridge	1.	\$5,706,237	\$5,316,230	\$390,007	7.3	\$5,620,384	\$5,234,035	\$386,349	7.4
Lee	2.	1,353,549	1,304,658	48,891	3.7	1,391,159	1,343,086	48,073	3.6
Westfield	3.	843,761	816,360	27,401	3.4	861,278	828,485	32,793	4.0
W. Springfield	4.	2,394,778	2,264,325	130,453	5.8	2,359,195	2,227,545	131,650	5.9
Chicopee	5.	676,980	659,708	17,272	2.6	657,373	630,047	27,326	4.3
Springfield	6.	2,342,877	2,227,406	115,471	5.2	2,338,771	2,233,572	105,199	4.7
Ludlow	7.	693,745	662,361	31,384	4.7	679,315	653,881	25,434	3.9
Palmer	8.	886,339	825,724	60,615	7.3	881,671	823,187	58,484	7.1
Sturbridge	9.	5,372,564	4,997,709	374,855	7.5	5,286,799	4,964,543	322,256	6.5
Auburn	10.	4,077,008	3,798,394	278,614	7.3	3,994,987	3,753,340	241,647	6.4
Millbury	11.	923,627	861,940	61,687	7.2	1,040,615	977,980	62,635	6.4
Westborough	11.A	2,821,167	2,577,904	243,263	9.4	2,883,484	2,616,753	266,731	10.2
Framingham	12.	1,235,662	1,234,892	770	.1	1,352,607	1,323,585	29,022	2.2
Natick	13.	1,518,077	1,407,500	110,577	7.9	1,475,065	1,375,816	99,249	7.2
Weston	14.	5,995,533	5,633,518	362,015	6.4	5,768,593	5,352,125	416,468	7.8
Newton	15.	4,609,708	4,441,998	167,710	3.8	4,860,316	4,692,647	167,669	3.6
Totals		\$41,451,612	\$39,030,627	2,420,985	6.2	\$41,451,612	\$39,030,627	\$2,420,985	6.2

Massachusetts Turnpike Authority
Boston Extension
Statistical Comparison 1981 vs. 1980

Interchange	No.	Transactions		Increase or (Decrease)	%	Revenue		Increase or (Decrease)	%
		1981	1980			1981	1980		
Newton - Turnpike	15	11,910,552	11,571,644	338,908	2.9	\$4,358,793	\$4,073,284	\$285,509	7.0
Newton - 128	15	10,600,941	10,355,209	245,732	2.4	3,764,330	3,507,781	256,549	7.3
West Newton	16	2,566,252	2,433,040	133,212	5.5	509,906	464,238	45,668	9.8
Allston									
Off East - On West	18	7,360,987	7,107,424	253,563	3.6	1,932,331	1,807,466	124,865	6.9
Thru Traffic	19	19,375,540	18,933,437	442,103	2.3	8,087,288	7,628,716	458,572	6.0
Off West - On East	20	7,085,646	6,976,144	109,502	1.6	2,554,524	2,403,080	151,444	6.3
Totals		58,899,918	57,376,898	1,523,020	2.7	\$21,207,172	\$19,884,565	\$1,322,607	6.7

Massachusetts Turnpike Authority
Employees' Retirement System
Financial Condition Report
as of December 31, 1981

Massachusetts Turnpike Authority
Employees' Retirement System

In accordance with the provisions of section 20, subsection 5, paragraph (i) of Chapter 32 of the General Laws, we are pleased to submit herewith, for publication in the Massachusetts Turnpike Authority Annual Report to the Governor and General Court, a copy of the report of the financial condition of the Massachusetts Turnpike Authority Employees' Retirement System as of December 31, 1981.



A handwritten signature in cursive script, reading "S. Britton".

S.J. Britton
Ex-officio - Chairman

A handwritten signature in cursive script, reading "J. Joseph Maloney".

J. Joseph Maloney
Appointed Member

A handwritten signature in cursive script, reading "Francis M. Hoey".

Francis M. Hoey
Elected Member

Statement of Condition
As of December 31, 1980 and 1981
(unaudited)*

	1980	1981
<i>Assets</i>		
Cash in Bank		
Investments	\$ 497	\$ 1,972
Government bonds	3,171,271	3,353,853
Railroad equipment trust certificates	491,280	1,092,443
Public Utility bonds	1,743,576	1,954,670
Bank and industrial notes & bonds	1,549,285	1,848,574
Telephone bonds	4,031,566	4,716,935
Common stock-banks	60,375	
Short-term investments available cash	113,667	238,138
Term deposits	120,000	140,000
Certificates of deposit	100,000	200,000
Due from employer-payroll deductions	14,367	—
Accrued interest on investments	345,453	395,948
<i>Total Assets</i>	11,741,337	13,942,533
<i>Funds and Liabilities</i>		
Annuity Savings Fund	\$ 4,641,744	5,350,208
Annuity Reserve Fund	1,151,342	1,372,848
Pension Fund	2,038,522	2,790,206
Expense Fund	104,762	94,471
Past Service Liability Fund	3,804,967	4,334,800
<i>Total Funds and Liabilities</i>	\$ 11,741,337	\$ 13,942,533

*See Notes To Financial Statements

Statement of Cash
For The Years Ending December 31, 1980 and 1981
(unaudited)*

	1980	1981
Cash in Bank, January 1	\$ 7,380	\$ 497
Short-term investments, available cash	835,503	113,667
Total cash available, January 1	842,883	114,164
<i>Receipts</i>		
Members' contributions	719,972	834,668
Transfers of members' accounts from other systems	54,279	7,552
Pensions reimbursements from other systems	37,006	51,300
Massachusetts Turnpike Authority:		
Pension Fund appropriation	1,150,000	1,400,000
Expense Fund appropriation	104,200	98,300
Past Service Liability Fund appropriation	993,000	100,000
Sale of investments	4,520,547	329,982
Gain (Loss) on sale of investments	(39,761)	42,575
Investment income	1,003,555	1,359,717
Securities claim settlement	9,294	
<i>Total Receipts</i>	8,582,092	4,224,094
<i>Disbursements</i>		
Annuity payments	90,160	109,134
Pension payments	1,278,392	1,407,956
Pensions reimbursements to other systems	9,383	11,268
Refunds to beneficiaries:		
Option B annuity payments	48,138	30,272
Contributions of deceased employees	18,697	7,908
Refunds to inactive members	87,448	98,404
Transfers of members' accounts to other systems	2,901	14,908
Administrative expenses	87,465	108,515
Investments	7,543,967	2,266,984
Accrued interest on bonds purchased	144,260	42,800
<i>Total Disbursements</i>	9,310,811	4,098,149
<i>Balance December 31, 1980, 1981</i>	\$ 114,164	\$ 240,109
Cash in bank, December 31, 1980 & 1981	497	1,972
Short-term investments, available cash	113,667	238,137
Balance, December 31, 1980 and 1981	114,164	240,109

*See Notes To Financial Statements

Massachusetts Turnpike Authority Employees' Retirement System Footnotes To Financial Statements

1. Accounting Policies

The accounting policies used by the Massachusetts Turnpike Authority Employees' Retirement System follow the principles and practices for public employee contributory retirement systems as promulgated by the Commonwealth of Massachusetts, Division of Insurance, pursuant to the provisions of Chapter 32, section 21, of the Massachusetts General Laws.

Records of the Retirement System are periodically audited by the Division of Insurance of the Commonwealth in accordance with the provisions of the statute. The last such audit was completed in June, 1979, and covered the period from January 1, 1975 through December 31, 1978. Additionally, in August, 1978, the retirement board authorized an audit by an independent accounting firm of refunds of retirement contributions to former employees. This audit was completed in January, 1979, and included the ten year period from July 1, 1968 through June 30, 1978.

2. Investments

Assets of the Retirement System are invested pursuant to the provisions and limitations of Chapter 32, section 23, of the Massachusetts General Laws. Investment earnings for the year 1981 totalled \$1,469,532 of which \$429,833 was attributable to investments of the Past Service Liability Fund. The balance of \$1,039,699 investment income represented a rate of return of 11.85% of mean ledger assets of the other funds of the Retirement System, and was applied to those funds in accordance with the statute. In-

terest was credited to individual members' accounts at the rate of 7.2% as determined by the Division of Insurance. *The investment income distribution totals follow:*

Annuity Savings Fund	\$ 319,116
Annuity Reserve Fund	36,815
Pension Fund	683,768
	<hr/>
	\$1,039,699

3. Benefits

During 1981, 38 employees were retired by the retirement board, bringing to 438 the number of employees retired since the inception of the system in July, 1968. Retirement allowances totalling \$1,517,090 were paid in 1981, of which \$109,134 were annuity payments, \$1,148,450 were pension payments to retirees, and \$259,506 were pension payments to survivors and beneficiaries of deceased employees and retirees. Pension reimbursements totalling \$51,300 were received from other systems and reimbursements of \$11,268 were paid to other systems. Recipients of retirement benefits as of December 31, 1981 numbered 333 retirees and 87 survivors and beneficiaries.

Massachusetts Turnpike Authority Staff

John T. Driscoll
Chairman

Paul F. May
Vice-Chairman

Raymond J. Fontana
Member



S.J. Britton
Secretary-Treasurer



J.W. Francis
Director of Personnel

L.E. Ryan
Resident Counsel



W.P. Driscoll
*Superintendent of
Tunnels*

D.R. Nagle
*Director of Real
Estate*



E.M. King
*Director of
Community Relations*

A.T. McCann
*Equal Employment
Opportunity Officer*



M.C. Crain
Chief Engineer

J.T. Dias
Maintenance Engineer



H. Finn
*Superintendent of
Toll Collection*

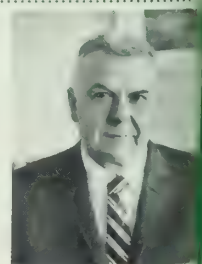
J.N. Grim
*Assistant Chief
Engineer*

W. J. Gillespie
Commander

H. Healy
*Secretary to
Chairman*



A.P. Manzi
In Memoriam





Massachusetts Turnpike Authority
Suite 3000
Prudential Center
Boston, Massachusetts 02199

ASS. TCGO.1:982

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MASSACHUSETTS
TURNPIKE
AUTHORITY

ANNUAL REPORT
1982



MASSACHUSETTS
TURNPIKE
AUTHORITY
ANNUAL REPORT
1982



MASSACHUSETTS TURNPIKE AUTHORITY

The Massachusetts Turnpike Authority was created by Chapter 354 of the Acts of 1952 as an autonomous instrumentality of the Commonwealth to discharge the public functions which have, from time to time, been delegated to it by the Legislature. The Authority acts through a board of three members, one of whom is designated as Chairman, who are appointed by the Government for terms of eight years.

The Authority operates three separate and financially distinct facilities, i.e., The Massachusetts Turnpike, The Callahan-Sumner Tunnels and The Boston Extension of the Massachusetts Turnpike. These facilities were financed by means of three revenue bond issues totalling over five hundred million dollars. Neither the faith and credit nor the taxing power of the Commonwealth of Massachusetts or of any political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds. The funds providing for the maintenance, operation and policing of these facilities, as well as principal and interest payments on the bond issues, are derived solely from tolls and other revenues generated by users.

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39.	Employees' Retirement System

GOVERNMENT DOCUMENTS
COLLECTION
JUL 18 1983
University of Massachusetts
Dorchester Campus

MASSACHUSETTS TURNPIKE AUTHORITY

BOARD MEMBERS



John T. Driscoll
Chairman



Edward T. Hanley
Vice Chairman



Anne H. McHugh
Member

MEMBERS WHO SERVED IN 1982



Paul F. May
Thomas H. Kuhn

MASSACHUSETTS TURNPIKE AUTHORITY

STAFF MEMBERS

Top Row

S. J. Britton

Secretary-Treasurer

J. W. Francis

Director of Personnel

R. J. Fontana

Resident Counsel



Second Row

W. P. Driscoll

Superintendent of Tunnels

D. R. Nagle

Director of Real Estate

E. M. King

Director of

Community Relations

A. T. McCann

Equal Opportunity

Employment Officer



Third Row

M. C. Crain

Chief Engineer

J. T. Dias

Maintenance Engineer

H. Finn

Superintendent of

Toll Collection

J. N. Grim

Assistant Chief Engineer



Bottom Row

W. J. Gillespie

*Commander **

R. A. Morse, Jr.

Commander

H. Healy

Secretary to Chairman

L. E. Ryan

In Memorium



Staff Members Not Pictured

P. F. Byron

Assistant Secretary

Assistant Treasurer

W. M. Coffill

Manager of

Computer Services

K. R. Lewis

Controller

G. F. Coughlin

Secretary to Retirement Board

*Retiree



Ground Breaking-Initial Turnpike



Boston Extension Dedication



Boston Extension Final Dedication



Callahan Tunnel Construction

Large Photo:
Boston Extension
Opening

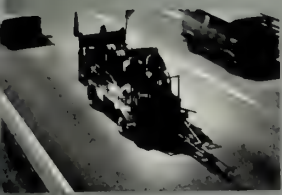


Dedication of Callahan Tunnel



Two-Way Summer Tunnel





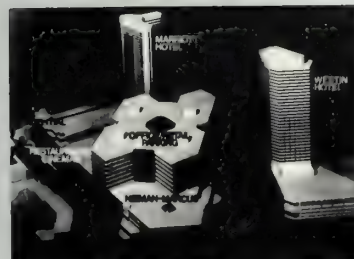
Turnpike Maintenance



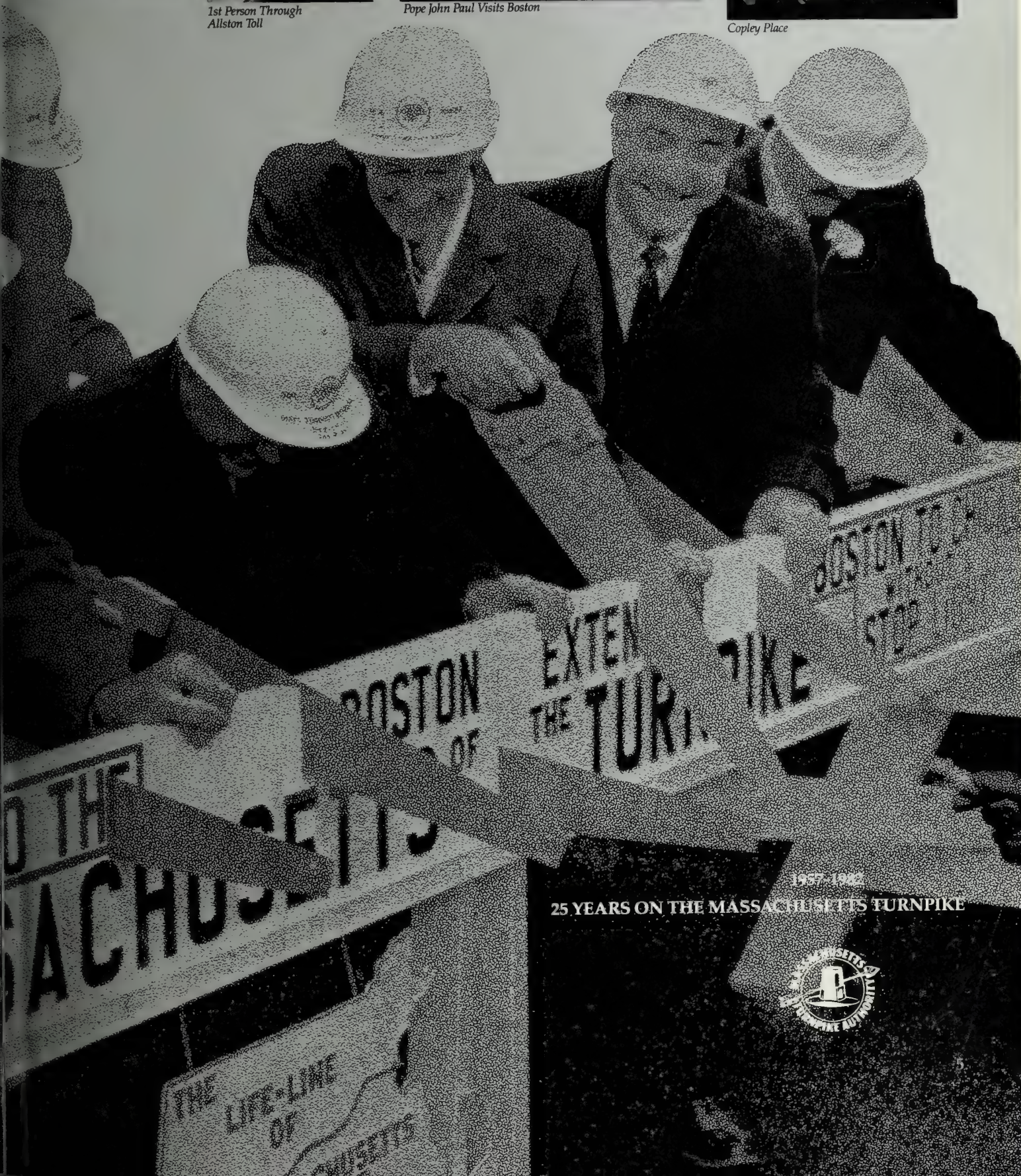
1st Person Through
Allston Toll



Pope John Paul Visits Boston



Copley Place



1957-1982
25 YEARS ON THE MASSACHUSETTS TURNPIKE

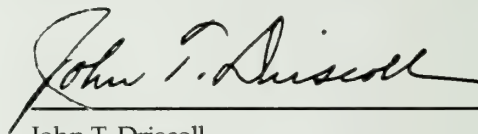


February 28, 1983
His Excellency Michael S. Dukakis
Governor of the Commonwealth of Massachusetts
and
Members of the Senate and House of Representatives
Boston, Massachusetts

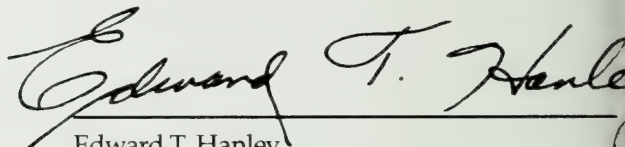
His Excellency and Honorable Members:

In accordance with this Authority's enabling legislation, section 15, Chapter 354, Acts of 1952, as amended, we are pleased to submit herewith the Twenty-ninth Annual Report of the Massachusetts Turnpike Authority covering the 1982 operation of the initial section of the Massachusetts Turnpike, the Boston Extension thereto, and the Callahan-Summer Tunnels.

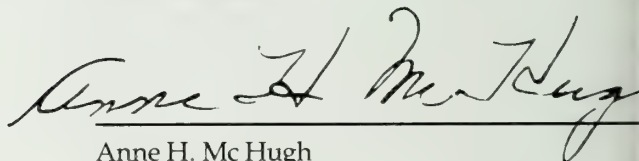
Further, in accordance with the provisions of Chapter 32, section 20, subsection 5, paragraph (i) of the General Laws, we are also submitting herewith the report of the financial condition of the Massachusetts Turnpike Authority Employees' Retirement System as of December 31, 1982.



John T. Driscoll
Chairman



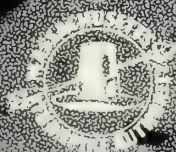
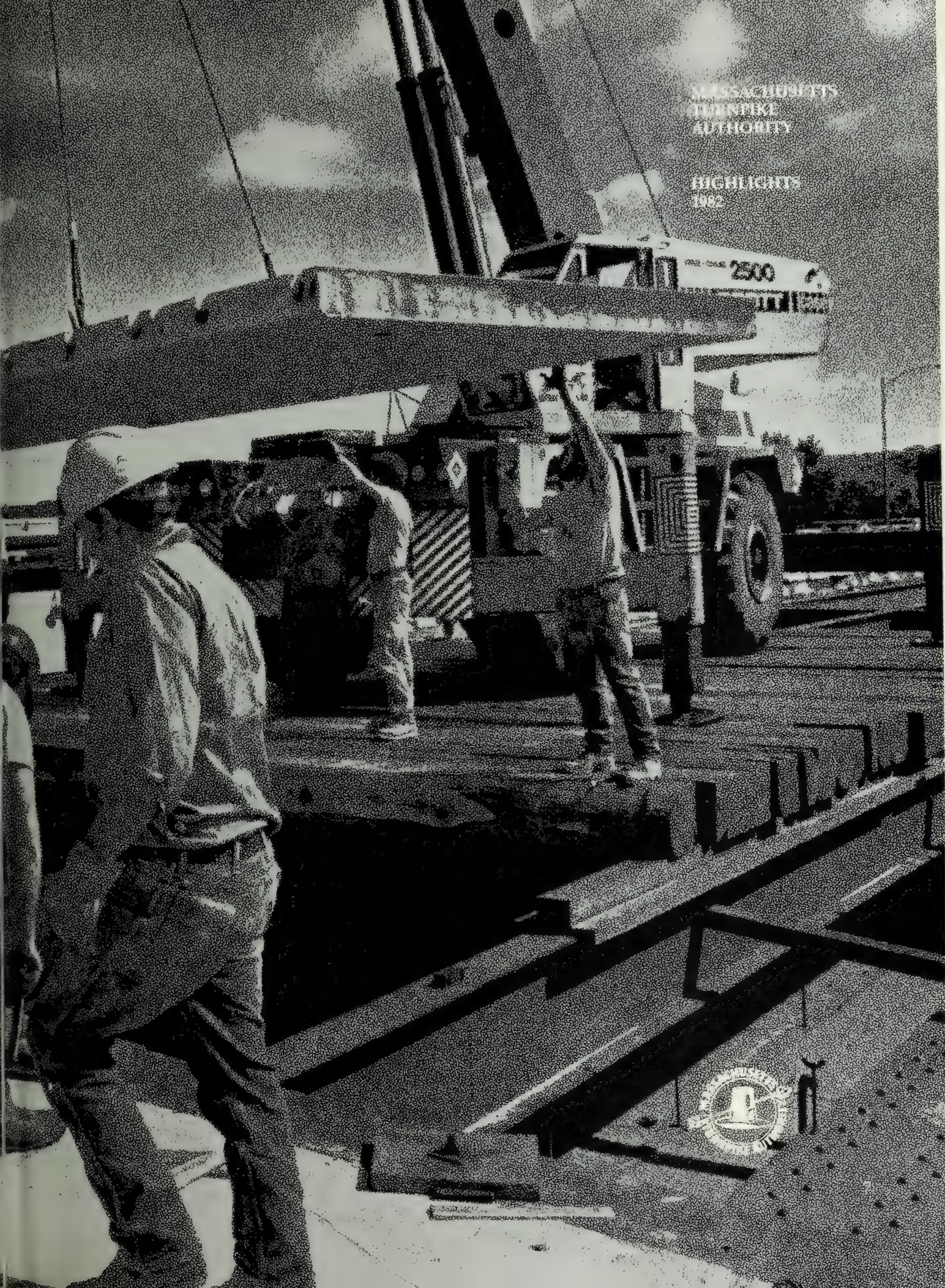
Edward T. Hanley
Vice-Chairman



Anne H. McHugh
Member

MASSACHUSETTS
TOLLPIKE
AUTHORITY

HIGHLIGHTS
1982



HIGHLIGHTS: 1982

Total gross revenue of the Authority in 1982 amounting to \$82,547,994 was 3.6%, or \$2,832,877, greater than in 1981. Gross revenue of the Initial Turnpike increased by \$1,305,083, or 2.9%, i.e., from \$45,778,443 in 1981 to \$47,083,526 in 1982. Boston Extension gross revenue increased by \$1,309,549, or 5.2%, i.e., from \$24,990,413 in 1981 to \$26,299,962 in 1982 and gross revenue of the Callahan-Sumner Tunnels increased by \$218,251, or 2.4%, i.e., from \$8,946,255 in 1981 to \$9,164,506 in 1982. The Resident Counsel's office collected \$327,673 in claims against motorists for damage to Authority property. This compares with \$302,783 collected from the same source in the year before.

The Authority's total operating expenses increased by \$3,387,843, or 12.5%, over 1981 expenses. Net revenue amounting to \$52,126,906 was \$554,966, or 1.1%, lower than 1981.

In 1982 a record of \$7,434,831 of Boston Extension revenue was transferred to the Initial Turnpike Redemption Account for retirement of Initial Turnpike bonds as provided in 1962 Supplemental Trust Agreement. This is the eighth year that transfers have been made to this account. Total transfers to date amount to \$21,757,737.

A total of \$21,682,000 principal amount Initial Turnpike revenue bonds and \$1,529,000 principal amount Callahan-Sumner Tunnels revenue bonds were purchased on the open market and retired in 1982. Of the \$254,000,000 revenue bonds issued to finance construction and widening of the Initial Turnpike, \$223,668,000, or 88.1%, have been retired as of December 31, 1982. Outstanding Callahan-Sumner Tunnels revenue bonds have been reduced from \$54,400,000 to \$19,563,000, or by 64%, as of December 31, 1982.

A LOOK IN THE REAR VIEW MIRROR

THIRD HARBOR CROSSING

The draft environmental impact statement for the Third Tunnel Crossing under Boston Harbor (Interstate Route 90) was released on December 21, 1982. The EIS study was performed under a \$3.3 million contract with the Massachusetts Department of Public Works. The work was done under the direction of the MDPW, the EOTC, the FHWA and the MTA. The MTA was appointed lead agency by the Commonwealth.

The study for the EIS was prepared by a joint venture of engineers and planning firms employing transportation and environmental specialists. They examined four possible routes—two alignments in East Boston and two alternatives in the Fort Point Channel on the Boston approach side. A no-build option was also considered.

In East Boston, the 4-lane two-way tunnel would connect either with the Grand Junction Railroad right-of-way or with Logan Airport after passing under Jeffries Cove.

On the Boston side, in one situation there would be a new one-directional northbound tunnel in Fort Point Channel to connect to the new harbor tunnel and Central Artery with improvements to the existing Dewey Square Tunnel to serve southbound traffic from the Central Artery and the third harbor tunnel. In the second situation, a two-directional tunnel would be constructed in Fort Point Channel connecting directly to the new harbor tunnel with entry and exit ramps at Summer Street.

For all route choices, connections on the East Boston side would be made to the East Boston Expressway (Route 1A) and the airport roadway system. On the Boston side, connections would be made to the Southeast Expressway (I-93) and the Massachusetts Turnpike (I-90).

Depending upon the route or alternative selected, the new tunnel project would cost from \$735 to \$950 million. The construction would take about three years to complete and would create some 7,000 new jobs.

A LOOK IN THE REAR VIEW MIRROR

THIRD HARBOR CROSSING CONT.

According to the study, without a third harbor crossing, traffic crossing Boston Harbor is expected to increase 10 per cent from 1982 to the design year of 2010. This amounts to 170,000 vehicles on an average weekday. Weekday commuting traffic congestion at the Callahan-Sumner tunnels and connecting Artery will increase from 5 hours today to 14 hours (6 a.m. to 8 p.m.) by the year 2010.

Although traffic crossing the harbor in the year 2010 is estimated to be 11 per cent higher with a new tunnel due to airport induced trips, traffic will be reduced on the Mystic-Tobin bridge and existing tunnels to 70-75 per cent of existing levels. The new tunnel would reduce traffic congestion to only one or two hours from today's 5 to 6 hours and the 14 hours projected in 2010 without a new tunnel. The new tunnel is expected to carry about 75,000 vehicles a day.

Since a new tunnel will improve traffic operation and provide more direct connections, traffic which presently uses local streets to short-cut congestion on the expressway systems in both Boston and East Boston would divert back to express highways.

The study was required to evaluate other transportation improvements independent of the third tunnel. Although modifications to several of the Central Artery ramps would be beneficial, they would not significantly improve the level of service for traffic, even combined with a third tunnel. Considerable improvements to the Blue Line would provide limited benefits in the cross-harbor, airport, and Central Artery traffic corridors. Improved bus service would have little benefit to traffic. One-way toll collection at all three tunnels plus the Mystic-Tobin bridge would also provide limited improvement to traffic conditions.

The EIS study involved a high level of public participation. Meetings of the working and interagency committees, attended by representatives of the communities and governmental agencies, were held regularly.

Since a new tunnel would significantly reduce traffic congestion at the existing tunnels, substantial improvement to air quality could be expected at the tunnel portals in the North End and in East Boston. Residential relocations would not be required under any of the build alternatives. However, some business relocation would be required.

Potential impacts on noise levels, historic resources, communities, aesthetics, water quality, land use, economics, energy, wild life, and vegetation were also examined. In most instances, adverse impacts would be minimal.

After the circulation of the draft EIS review and comment of interested governmental agencies and the general public, the process requires a public hearing. The document would then be finalized by incorporating and addressing all valid comments to enable Federal and local officials to determine whether or not the project should go forward. Federal regulations require the final EIS to be completed by September, 1983.

A LOOK IN THE REAR VIEW MIRROR

COPLEY PLACE

After two years of construction, the \$460-million multi-use Copley Place project on the 9.5 acre Turnpike air rights site is entering its final phases of construction. The largest private development in the city's history, Copley Place will accommodate two luxury hotels, a two-level shopping mall topped by a seven story office building, a department store, housing and garage spaces.

At the end of 1982, the 36-story Westin Hotel and the central area building that contains three parking levels, two small mall levels, and seven office levels were being enclosed to expedite inside finishing work during the winter months. These buildings are scheduled to be completed in 1983.

With paving and ventilation yet to be completed, the new reconfigured Turnpike exit ramps that circle through the central area building are expected to be opened to traffic in late Spring 1983. At that time the temporary exit ramp will be demolished.

Temporary ventilation is being supplied for the covered section of the mainline of the Turnpike

until the permanent fan system is in place and operating in the structure on the Huntington Avenue face of the central area building. The ventilation system for the exit ramps is being integrated with the central garage system.

The foundations for the 38-story Marriott Hotel were completed in 1982 and the building frame has emerged well out of the ground. The 100-unit housing component of this project is scheduled for bid and award in February and construction is anticipated to start in March, 1983.

The last two years of construction, involving difficult foundation work adjacent to the Turnpike roadways and the erection of structural members overhead, has taken place with a minimum of interference and inconvenience to Turnpike motorists. This was made possible only because of the special coordination that has taken place among the Turnpike Authority's Engineering Department, Turnpike State Police, the developer, and contractors.

WANG LABORATORIES DEVELOPMENT PROJECT

On June 29, 1982, the Turnpike Authority executed a 99-year lease with Wang Laboratories, Inc. for development of a 5.9 acre parcel of land at the Turnpike interchange with Kneeland Street in downtown Boston.

The existing Turnpike ramp to Kneeland Street, located adjacent to the Boston Edison Plant and opposite South Street, is being relocated eastward to align with Atlantic Avenue. This ramp relocation is being built by the MBTA to facilitate future construction of vehicular ramps to and from the MBTA South Station Transportation Center. The open land resulting from the relocation will enable Wang to develop an initial 100,000 square foot facility for light manufacturing.

Wang has plans to start construction in mid-1983. Several actions are required in the interim. The Turnpike Authority and MBTA are in the process of exchanging land to accommodate the relocation of Turnpike exit ramp and construction of future ramps to and from the South Station Transportation Center. Conrail has consented to relinquish an easement for an

inactive spur track that cuts across the future MBTA ramps and leased area. A Boston Gas Company 30-inch gas main which bisects the leased parcel must be relocated. The new location for the gas main is governed by plans of the Boston Water and Sewer Commission to tunnel a 78-inch interceptor sewer under the relocated Turnpike exit ramp. Lastly, the Boston Redevelopment Authority has applied for a grant from the Executive Office of Communities and Development that would be used to relocate and reconstruct the Pagoda park public recreation area. The park is presently located in the leased parcel on the west side of the Boston Edison Power Plant where future ramps to the South Station Transportation Center are to be constructed.

The Turnpike Authority is diligently working with the various governmental agencies and private parties involved so that the planned transportation improvements can take place together with private development.

A LOOK IN THE REAR VIEW MIRROR

STATE-OF-THE-ART COMPUTER SYSTEM

On August 12, 1982, the Authority voted to accept a proposal submitted by Sperry Univac for the installation of a state-of-the-art central data processing system at its computer operations facility in the Allston-Brighton section of the city of Boston.

The selection of the Sperry Univac System 80 followed the Authority's analysis of proposals

for similar systems submitted on a competitive basis by six major computer manufacturers.

Now that the System 80 is installed and operating, the Authority may look forward to the increased efficiency synonymous with "on-line" data processing.

REPLACEMENT RESERVE PROJECTS

Consistent with the Turnpike Authority's policy of keeping the roadways, bridges, and other parts of the Turnpike infrastructure in good repair and working order, some \$8.5 million worth of heavy maintenance contracts were awarded in 1982 under the Replacement Reserve Program.

Bridge Repairs

The westbound deck of the 1,200 foot long bridge carrying the Turnpike over the Connecticut River in the western section of the State was reconstructed using precast concrete panels. Under the same contract, the nearby Riverdale Street (Route 5) bridge in West Springfield was also redecked on the westbound roadway. This work completed the redecking of these bridge structures. The eastbound decks were reconstructed in 1981.

Between Interchange 8 in Palmer and Interchange 9 in Sturbridge, eight bridge decks were rehabilitated, four of which were completely reconstructed. The repair of the other four decks consisted of structural concrete patches, waterproofing, and resurfacing.

On the Boston Extension of Turnpike, repairs were made to the eastbound deck of the bridge over the Railroad just east of Route 128 (I-95).

Latex modified concrete, employed monolithically for both the structural slab repairs and wearing surface, provided a reduction in the curing time and construction sequencing. This time-saving minimized the inconvenience to the motorist on this heavily travelled commuter section of the Turnpike.

As part of a continuing program, two contracts were awarded for cleaning and painting nine underpass and overpass bridges on the Initial Turnpike and four bridges on the Boston Extension, involving a total of some 3,800 tons of structural steel.

Supplementing the contract work, several bridge decks were repaired along the entire

length of the Turnpike by the three bridge crews of the Turnpike Maintenance Forces. These crews are kept busy to effect repairs that will avoid and, in many cases, delay the more costly deck reconstruction work.

Roadway Pavement

Pavement improvements were undertaken on both the Initial Turnpike and Boston Extension.

Complementing similar work performed on the westbound roadway in 1981, a 4-1/2 mile section of the eastbound roadway of the Boston Extension from Newton Corner to Route 128 was resurfaced with a 1-1/2 inch bituminous concrete overlay. In order to maintain the proper curb reveal and improve drainage characteristics, the old pavement on the outside lanes was milled by a cold planing operation. To avoid interference with the heavy commuter traffic, this work was accomplished at night and in the early morning hours in the short time of two weekends.

On the Initial Turnpike, pavement repairs and subgrade drainage improvements were performed under contract on the mainline roadways of the heavily travelled section between Sturbridge and Auburn.

A LOOK IN THE REAR VIEW MIRROR

REPLACEMENT RESERVE PROJECTS CONT.

Slope Repairs

At Mile 98 on the westbound roadway in Grafton, repairs were made to the seriously eroded embankment slope. The contract work included shoulder drainage improvements to control storm water flow in this area.

Rock falls due to weathering in rock cut areas of the Turnpike in Auburn, Millbury, Grafton, and Framingham were removed under a separate contract.

Toll Plazas and Service Areas

The replacement of three temporary toll booths on the Boston Extension, two at Interchange 19 and one at Interchange 15, began in mid-1982 and is scheduled to be completed in May of 1983.

A contract was awarded in 1982 to connect the Turnpike Service Area on the westbound roadway, at the Westborough-Hopkinton town line (Mile 104.3), with the improved local municipal water supply. This direct connection reduces maintenance by eliminating the former water pumping and storage system.

Tunnels

Two contracts for painting tunnel surfaces were awarded in 1982. One contract provides for repairs and epoxy painting of the ceiling in the mile-long Sumner Tunnel. The other contract provides for concrete repairs and epoxy painting of the painted surfaces in the Prudential Passageway on the Boston Extension. Both contracts are scheduled for completion in 1983. The newly painted surfaces not only will improve illumination but also are expected to facilitate cleaning operations.

Planned for 1983

Reserve and replacement construction projects for 1983 are expected to total \$12,200,00. A variety of initial Turnpike projects account for \$8,390,000 of the projected expenditure. Bridges repairs will cost an estimated \$2,260,00 and the remaining \$1,550,00 will be used for repairing and painting the Sumner Tunnel.

CAR POOLING

In 1982, there was a 4% increase in CPID participation over 1981. Card holders in 1982 totalled 1,096 bringing the Authority \$58,425 in revenue. Usage for participants was 687,459 trips, representing \$263,622.60 in toll revenue value. Using the \$.05 per trip basis formula, card holder usage was 58.83%. The total savings for all CPID participants was \$205,197.60 during 1982.

SAFETY RECORD

The 1982 fatality rate of .76 per 100 million miles traveled was a record low for the Turnpike Authority, surpassing the previous record of .80 set just last year. The total accident rate per 100 million miles also fell from 89 last year to 81 in 1982. A total of 54,187 citations for moving violations was issued in 1982 by the Massachusetts State Police compared with 48,967 in 1981.

PERSONNEL OVERVIEW

TOLL COLLECTIONS

May 15, 1982 marked the 25th anniversary of the Initial Massachusetts Turnpike Authority. In 1958, the first complete year of operations, the *Toll Collection* staff consisted of approximately 120 employees, manning fourteen Interchanges from the New York State line to Route 128 in Weston. They processed 10,922,532 vehicles, generating revenues \$9,889,104.

Twenty-five years later, 1982 collections broke all prior records in spite of the weak economy throughout the nation.

The Toll Collection Staff has grown to approximately 200 permanent employees plus 50 part-time collectors. They processed 45,892,245 vehicles in 1982, an increase of 34,969,713 (320.2%) over 1958. Toll revenues for this year were \$43,266,921, an increase of \$33,377,817 (337.5%).

Fifteen Tolls personnel received gold watches for their loyal service and a prestigious thanks went to eleven Toll Collectors and Supervisors still on active duty.

AFFIRMATIVE ACTION

For the period ending 12/25/82, minority and female representation within the Authority's workforce in Boston locations was 14% and 18% respectively. Overall there was 10% minority and 16% female representation.

Revised goals/timetable are contained in the Massachusetts Turnpike Authority's Affirmative Action Plan. Copies of all 1982 quarterly reports are on file in the Office of Affirmative Action for the Commonwealth of Massachusetts.

Labor costs on the sixteen Replacement Reserve contracts totalled \$1,099,007, of which \$225,633 (20.5%) was paid to minority construction workers.

During 1982, seven minority firms shared a total of \$425,692.23 for goods and services. This represented a 100% increase over the previous year. A total of \$15,000 was shared by three female owned firms.

For the 12-month period January-December, 1982, pursuant to the Copley Place lease agreement between the Massachusetts Turnpike Authority and Urban Investment & Development Co., Inc., the 20% minority work hours and the 5% Minority Business Enterprise goals were attained.

CREDIT UNION

The Turnpike Credit Union has grown steadily since it was first established in February, 1974. Total assets have increased to \$1,269,178 as of December 31, 1982. At year-end, 764 Authority employees were members owning share account deposits of \$790,825, term deposits of \$110,482, and money market deposit accounts of \$59,139. Dividends paid to members increased from \$47,274 in 1981 to \$53,431 in 1982.

SERVICE AWARDS

In accordance with the Authority's Length of Service Award procedure, the following employees were awarded service emblems in 1982:

25 Years

Mario M. Anzalotti, Sr.
George A. Armstrong
Paul J. Berthiaume
Richard Brennan
Harry J. Carlson
William Casey
Henry R. Cauley
Peter Cianfrocca
William Coffill
Vincent A. Dellolio
Joseph DeSimone
Richard J. Doherty
Sigmund J. Dymon
John N. Ethier
James R. Farrell
Robert T. Faulkner
Richard Filiault
Edward G. Fitzgerald
Robert E. Flatley
Patrick L. Foely
Charles D. Forster

Walter Freeley
Charles D. Freeman
John M. Giaquinto
Joseph A. Hudyka
John T. Hughes
Ralph C. Julian
Francis Kennedy
Carol A. Latfy
Kenneth M. Martin
John P. McCarthy
Norman McCormick
Edward McGrady
Francis D. McMaster
John Melkonian
Edward J. Mezzoni
Fred Milward
Joseph C. Miron
Nicholas Mosca
George J. Naventi
John Nelligan
Edward A. Normand

Thomas F. O'Brien
Stephen Palmieri
Kenneth B. Pease, Jr.
Edward J. Socha
James E. Sullivan
Joseph Ughetti
Joseph L. Walkowiak
Martin E. Walsh
Joseph E. Yon
20 Years
Robert F. Besaw
Herman Blier
Richard F. Goodno
John C. Hagger
Richard M. Holmes
Effie Manos
John F. McCarthy
William J. McCorkle
Louis F. Picuch
Robert J. Shaughnessy
John J. Sweeney

15 Years

Raymond F. Brown
Paul P. Desy, Jr.
Pasquale A. Fronduto
Donald Hayden
John W. Herbert
Anthony J. Hundt
John W. Hunt
James M. Kelly
Paul B. Litano
Joseph J. Lynch
John M. Madonna, Sr.
Angelo Monaco
James P. Murray
Edward S. Olszta
Arthur Ricupero
Robert F. Sheldon
Richard E. Squires
G. Philip Stanwood
Frederick S. Strycharz
Donald Ulwick
Charles H. Winn

RETIREES FOR 1982

Secretary-Treasurer:

Walter J. Freeley
Auditor

Data Processing:

Frank C. Fontana
Toll Audit Clerk

Henry C. Sabourin
Janitor

Toll Collection:

Harold R. Acres
Plaza Supervisor

Francis E. Cote
Toll Collector

James R. Farrell
Senior Toll Collector

Ernest O. LeBlanc
Senior Toll Collector

Paul B. Litano
Toll Collector

Wendell C. Piper
Senior Toll Collector

Salvatore Piri
Toll Collector

Vincent E. Maillet
Toll Collector

Andrew F. Porzelt
Plaza Supervisor

Anthony J. Hundt
Toll Collector

Edward A. Donahue
Toll Collector

Alfred F. Gigli, Jr.
Plaza Supervisor

John J. Romasco
Toll Collector

Earl E. Remie
Toll Collector

Antonio D. Giannoccaro
Courier

Richard J. Doherty
Janitor

Edward J. Socha
Courier

Engineering and Maintenance:

Francis A. Ellis
Senior Construction Clerk

Roland G. Hetu
Maintenance Clerk

Roy F. MacDonald
Light Equipment Operator

Edgar R. Trudell
Administrative Assistant

George D. Archible, Sr.
Senior Maintenance Clerk

Roland A. Bibeau
Maintenance Man

Robert F. Flatley
Senior Storekeeper

James E. Trant
Maintenance Man

Carlo Caporale
Mechanic

Tunnels Division:

Ross Dindio
Maintenance Supervisor

George L. Kehrmeier
Foreman of Maintenance

Donald O. Ulwick
Maintenance Man

Victor A. Corbin, Jr.
Electrician

Michael F. Moriarty
Plaza Supervisor

Adam J. Kasper
Toll Collector

DEATHS

*Retiree

Maurice R. Cajolet
Janitor - Tunnels
1/1/82

*Frank Colanino
Toll Collector - Tunnels
1/4/82

Lawrence E. Ryan
Resident Counsel
1/28/82

*Frank S. Matthews
Toll Collector
2/2/82

*Murray Banks
Toll Collector
2/16/82

*Alexander Becovsky
Toll Collector - Tunnels
2/17/82

*Richard J. Schwener
Toll Audit Clerk
2/24/82

*Wilfred Beaudry
Toll Collector
5/13/82

Hiliare Cournoyer, Jr.
Maintenance Man
6/1/82

*Louis F. Anthony
Toll Collector
7/23/82

*Francis J. Zukowski
Toll Collector
8/9/82

*Daniel F. Donovan
Senior Construction Clerk
8/10/82

*James J. Cassidy
Toll Collector
8/29/82

*Edward Finer
Toll Collector
9/1/82

*Edward J. Early
Senior Motor Equipment Clerk
9/2/82

*Stanley Lacienski
Toll Collector
10/25/82

*Joseph Balliro
Toll Collector
10/30/82

*Thomas A. Gibbs
Foreman Building Maintenance
11/6/82

*Philip Amico
Toll Collector
11/19/82

*John F. Morgan
Toll Collector
11/11/82

*Charles S. Ostafin
Heavy Equipment Operator
12/22/82

MASSACHUSETTS
TUNNEL
AUTHORITY

FINANCIAL
CHARTS



February 14, 1983
Charles E. Di Pesa & Co.
Certified Public Accountants
Members of the Board
Massachusetts Turnpike Authority
Boston, Massachusetts 02199

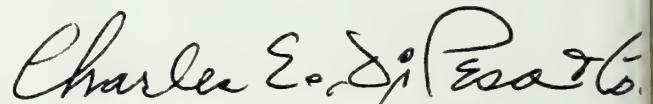
Gentlemen:

We have examined the Combined Statement of Condition of the Massachusetts Turnpike Authority as of December 31, 1982 and the related Combined Statement of Revenues and Expenses for the year ended pursuant to the Trust Agreements. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As more fully described in the footnotes, the Authority's policy is to prepare its financial statements on the basis of accounting practices prescribed by the Trust Agreements. These practices vary in some respects from generally accepted accounting principles but are in accordance with practices followed by similar entities.

In our opinion, the aforementioned financial statements present fairly the financial position of the Massachusetts Turnpike Authority as of December 31, 1982, and the revenues and expenses for the year then ended in conformity with the provisions of the Trust Agreements and is consistent with that of the preceding year. The current year's supplementary data have been subjected to the same auditing tests and procedures and, in our opinion, are stated fairly in all material respects when considered in conjunction with the financial statements taken as a whole.

Respectfully submitted,

A handwritten signature in dark ink, reading "Charles E. Di Pesa & Co.", written in a cursive style.

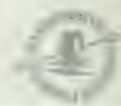
Charles E. Di Pesa & Co.
Certified Public Accountant

MASSACHUSETTS TURNPIKE AUTHORITY
COMBINED STATEMENT OF CONDITION
AS OF DECEMBER 31, 1982 and 1981

<i>Assets</i>	1982	1981
Cash	\$ 12,983,097	\$ 10,315,364
Investments	38,336,323	34,920,299
Accrued Interest on Investments	204,898	338,382
Accounts Receivable	1,984,262	1,954,501
Inventories	558,157	550,086
Deposits, Prepaid and Deferred Items	1,004,189	623,921
Escrow Funds	30,557	30,770
Investment in Annuity Contract	334,775	68,073
Cost of Initial Turnpike, Boston Extension and Callahan-Sumner Tunnels to Date	526,400,000	526,400,000
Total Assets	\$581,836,258	\$575,201,396
<hr/>		
<i>Liabilities and Fund Balances</i>		
Accounts Payable	\$ 632,234	\$ 741,128
Accrued Expenses and Payroll	2,084,606	2,050,668
Withholding from Employees	28,712	29,280
Deposits and Deferred Income	314,948	154,607
Bond Interest-Unpaid Coupons	23,008	24,800
Deferred Compensation	334,775	68,073
Split Funding-Premium Deposit Reserve	95,427	117,005
Retainage	744,488	292,800
Revenue Bonds Outstanding (Schedule A)	267,895,000	291,106,000
Bond Indebtedness Retired from Revenues (Schedule A)	258,505,000	235,294,000
Fund Balances	51,178,060	45,323,035
Total Liabilities and Fund Balances	\$581,836,258	\$575,201,396

The Accompanying Footnotes are an Integral Part of these Combined Statements

MASSACHUSETTS TURNPIKE AUTHORITY
COMBINED STATEMENT OF REVENUES AND EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 1982 and 1981



<i>Revenues</i>	1982	1981
Toll Revenue (Net)	\$73,378,134	\$70,433,957
Restaurant Revenue	1,018,364	963,368
Service Station Revenue	1,248,261	1,347,419
Rental Income	1,435,728	1,362,944
Miscellaneous	406,283	325,308
Income from Investments:		
Redemption Account	6,451	—
Revenue Fund	444,189	518,076
Replacement Reserve Fund	1,281,074	1,368,580
Bond Interest Account	651,824	866,654
Reserve Account	2,677,686	2,528,811
<i>Total Revenues</i>	<i>\$82,547,994</i>	<i>\$79,715,117</i>

Operating Expenses

Administrative	\$ 4,138,126	\$ 3,551,235
Retirement	2,733,350	2,118,766
Toll Collection	8,597,472	7,704,369
Police Patrol	2,550,288	2,293,462
Maintenance of Highway, Buildings, Tunnels and Equipment	12,401,852	11,365,413
<i>Total Operating Expenses</i>	<i>\$30,421,088</i>	<i>\$27,033,245</i>
<i>Excess of Revenues Over Operating Expenses</i>	<i>\$52,126,906</i>	<i>\$52,681,872</i>
<i>Interest Requirements</i>	<i>\$12,144,622</i>	<i>\$13,113,129</i>

COMBINED ANALYSIS OF FUND BALANCES
FOR THE YEARS DECEMBER 31, 1982 and 1981

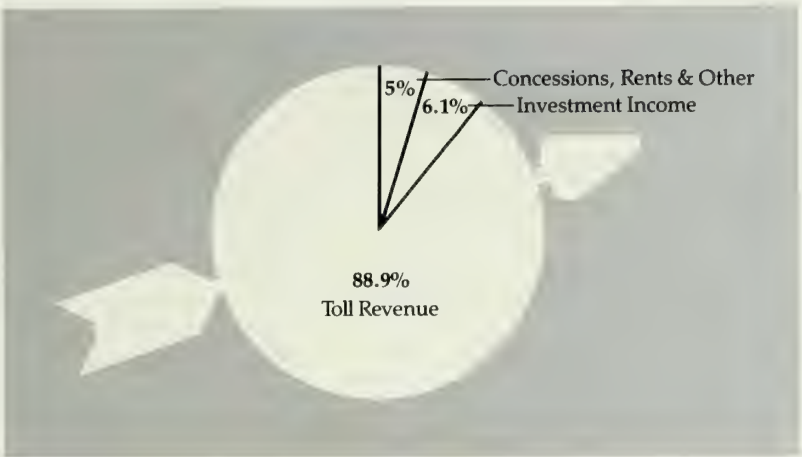
	1982	1981
<i>Balances – beginning of year</i>	<i>\$45,323,035</i>	<i>\$45,886,707</i>
Excess of Revenues Over Operating Expenses for the Years Ended December 31, 1982 and 1981	52,126,906	52,681,872
<i>Totals</i>	<i>\$97,449,941</i>	<i>\$98,568,579</i>

Disbursements

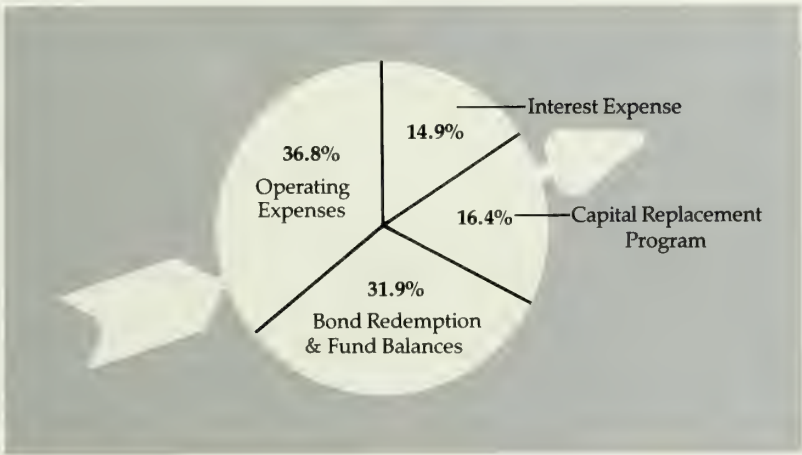
Redemption of Bonds	\$22,923,899	\$30,090,405
Payment of Bond Interest		
Interest Dates	12,100,215	13,086,586
Retirement Dates	225,302	284,323
Replacement Reserve Expenditures	11,022,465	9,784,230
<i>Total Disbursements</i>	<i>\$46,271,881</i>	<i>\$53,245,544</i>
<i>Balances – end of year</i>	<i>\$51,178,060</i>	<i>\$45,323,035</i>

The Accompanying Footnotes are an Integral Part of these Combined Statements

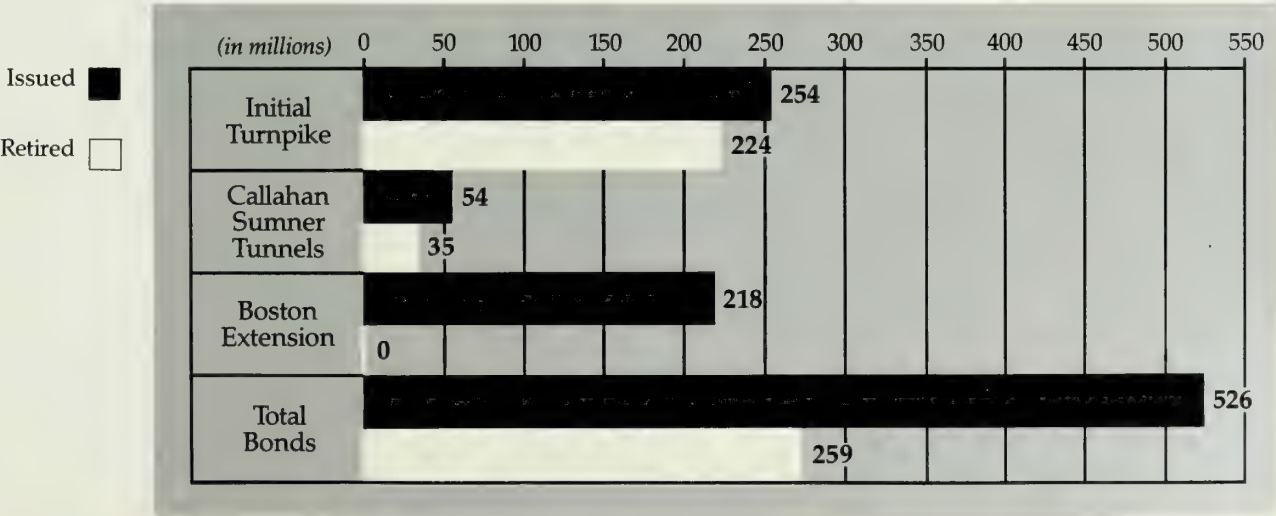
MASSACHUSETTS TURNPIKE AUTHORITY
1982 COMBINED GROSS REVENUES



1982 DISPOSITION OF COMBINED REVENUES



1982 TOTAL BONDS ISSUED AND RETIRED



MASSACHUSETTS TURNPIKE AUTHORITY
 INITIAL TURNPIKE
 STATEMENT OF CONDITION
 AS OF DECEMBER 31, 1982 and 1981



<i>Assets</i>	1982	1981
Cash	\$ 5,106,237	\$ 2,983,198
Investments	11,271,479	10,938,290
Accrued Interest on Investments	9,684	131,333
Accounts Receivable	1,384,885	1,351,479
Inventories	512,439	498,674
Deposits, Prepaid and Deferred Items	366,145	302,034
Escrow Funds	30,557	30,770
Investment in Annuity Contract	334,775	68,073
Due from Other Funds	148,597	616,736
Cost of Turnpike to Date	254,000,000	254,000,000
<i>Total Assets</i>	<i>\$273,164,798</i>	<i>\$270,920,587</i>

Liabilities and Fund Balances

Accounts Payable	\$ 436,002	\$ 639,938
Accrued Expenses and Payroll	898,615	1,001,009
Withholding from Employees	28,712	29,280
Deposits and Deferred Income	146,590	47,261
Bond Interest-Unpaid Coupons	17,672	18,728
Deferred Compensation	334,775	68,073
Due to Other Funds	116,238	548,678
Retainage	579,381	234,006
Split Funding-Premium Deposit Reserve	95,427	117,005
Turnpike Revenue Bonds:		
1954 Series - 3.3% - 239M		
Dated May 1, 1954		
Due May 1, 1994		
Bonds Outstanding	24,202,000	44,814,000
Bonds Purchased and Retired	214,798,000	194,186,000
1968 Series - 5 ¹ / ₄ % - 15M		
Dated November 1, 1968		
Due May 1, 2008		
Bonds Outstanding	6,130,000	7,200,000
Bonds Purchased and Retired	8,870,000	7,800,000
Fund Balances	16,511,386	14,216,609
<i>Total Liabilities and Fund Balances</i>	<i>\$273,164,798</i>	<i>\$270,920,587</i>

The Accompanying Footnotes are an Integral Part of these Combined Statements

MASSACHUSETTS TURNPIKE AUTHORITY
INITIAL TURNPIKE
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 1982 and 1981

<i>Revenues</i>	1982	1981
Toll Revenue (Net)	\$42,832,762	\$40,993,549
Restaurant Revenue	1,018,364	963,368
Service Station Revenue	1,248,261	1,347,419
Miscellaneous	370,382	250,618
Income from Investments:		
Redemption Account	6,451	0
Revenue Fund	349,612	410,862
Replacement Reserve Fund	798,332	1,009,357
Bond Interest Account	109,492	199,131
Reserve Account	349,870	604,144
<i>Total Revenues</i>	<i>\$47,083,526</i>	<i>\$45,778,448</i>
<hr/>		
<i>Operating Expenses</i>		
Administrative	\$ 2,754,387	\$ 2,334,237
Retirement	1,472,139	1,140,742
Toll Collection	5,157,348	4,636,711
Police Patrol	2,220,735	1,958,855
Engineering and Maintenance	8,843,865	8,153,865
<i>Total Operating Expenses</i>	<i>\$20,448,474</i>	<i>\$18,224,410</i>
<i>Excess of Revenues Over Operating Expenses</i>	<i>\$26,635,052</i>	<i>\$27,554,038</i>
<i>Interest Requirements</i>	<i>\$ 1,638,942</i>	<i>\$ 2,484,465</i>
<i>Percentage of Interest Earned</i>	<i>1625.14</i>	<i>1109.05</i>

The Accompanying Footnotes are an Integral Part of these Combined Statements

MASSACHUSETTS TURNPIKE AUTHORITY
 INITIAL TURNPIKE, CHAPTER 354 OF THE ACTS OF 1952
 ANALYSIS OF FUND BALANCES
 FOR THE YEARS ENDED DECEMBER 31, 1982 and 1981



	1982	1981
<i>Balances – beginning of year</i>	\$14,216,609	\$17,507,645
Excess of Revenues Over Operating Expenses for the Years Ended December 31, 1982 and 1981	26,635,052	27,554,038
Transfers		
Excess Revenue Transferred from Boston		
Extension to Bond Redemption	7,434,831	6,656,144
Totals	\$48,286,492	\$51,717,827
<i>Disbursements</i>		
Redemption of Bonds	\$21,568,408	\$26,942,354
Payment of Bond Interest		
Interest Dates	1,593,264	2,453,210
Retirement Dates	204,804	236,985
Replacement Reserve Expenditures	8,408,630	7,868,669
Total Disbursements	\$31,775,106	\$37,501,218
<i>Balances – end of year</i>	\$16,511,386	\$14,216,609

The Accompanying Footnotes are an Integral Part of these Combined Statements

MASSACHUSETTS TURNPIKE AUTHORITY
CALLAHAN-SUMNER TUNNELS
STATEMENT OF CONDITION
AS OF DECEMBER 31, 1982 and 1981

<i>Assets</i>	1982	1981
Cash	\$ 867,969	\$ 751,697
Investments	6,785,507	5,576,887
Accrued Interest on Investments	35,713	20,119
Accounts Receivable	65,314	79,028
Inventories	2,640	445
Deposits, Prepaid and Deferred Items	534,907	188,166
Due from Other Funds	16,358	166,612
Cost of Tunnel to Date	54,400,000	54,400,000
Total Assets	\$62,708,408	\$61,182,954
<hr/>		
<i>Liabilities and Fund Balances</i>		
Accounts Payable	\$ 22,454	\$ 42,338
Accrued Expenses and Payroll	439,560	397,501
Deposits and Deferred Income	80,582	69,790
Bond Interest-Unpaid Coupons	1,829	2,280
Due to Other Funds	13,053	172,275
Retainage	13,357	—
Tunnel Revenue Bonds:		
1959 Series - 54.4M		
Dated April 1, 1959		
Due April 1, 1999		
Bonds Outstanding		
4 ³ / ₄ %	19,174,000	20,703,000
4 ¹ / ₄ %	389,000	389,000
Bonds Purchased and Retired - 4 ³ / ₄ %	33,626,000	32,097,000
Bonds Purchased and Retired - 4 ¹ / ₄ %	1,211,000	1,211,000
Fund Balances	7,737,573	6,098,770
Total Liabilities and Fund Balances	\$62,708,408	\$61,182,954

The Accompanying Footnotes are an Integral Part of these Combined Statements

MASSACHUSETTS TURNPIKE AUTHORITY
 CALLAHAN-SUMNER TUNNELS
 STATEMENT OF REVENUES AND EXPENSES
 FOR THE YEARS ENDED DECEMBER 31, 1982 and 1981



<i>Revenues</i>	1982	1981
Toll Revenue (Net)	\$8,293,772	\$8,215,566
Rental Income	77,923	53,500
Miscellaneous	5,000	27,520
Income from Investments:		
Revenue Fund	41,264	42,619
Replacement Reserve Fund	221,314	137,529
Bond Interest Account	60,409	73,500
Reserve Account	464,824	396,022
Total Revenues	\$9,164,506	\$8,946,256

Operating Expenses

Administrative	\$ 573,074	\$ 513,451
Retirement	524,274	372,661
Toll Collection	1,642,812	1,469,576
Police Patrol	109,128	122,901
Maintenance and Operation of Tunnels	1,736,375	1,577,274
Total Operating Expenses	\$4,585,663	\$4,055,863
<i>Excess of Revenues Over Operating Expenses</i>	\$4,578,843	\$4,890,393
<i>Interest Requirements</i>	\$ 978,680	\$1,101,664
<i>Percentage of Interest Earned</i>	467.86	443.91

CALLAHAN-SUMNER TUNNELS
 ANALYSIS OF FUND BALANCES
 FOR THE YEARS ENDED DECEMBER 31, 1982 and 1981

	1982	1981
<i>Balances - beginning of year</i>	\$ 6,098,770	\$ 5,904,402
Excess of Revenues Over Operating Expenses for the Years Ended December 31, 1982 and 1981	4,578,843	4,890,393
Totals	\$10,677,613	\$10,794,795

Disbursements

Redemption of Bonds	\$ 1,355,491	\$ 3,148,051
Payment of Bond Interest		
Interest Dates	979,951	1,106,376
Retirement Dates	20,498	47,338
Replacement Reserve Expenditures	584,100	394,260
Total Disbursements	\$ 2,940,040	\$ 4,696,025
<i>Balances - end of year</i>	\$ 7,737,573	\$ 6,098,770

The Accompanying Footnotes are an Integral Part of these Combined Statements

MASSACHUSETTS TURNPIKE AUTHORITY
BOSTON EXTENSION
STATEMENT OF CONDITION
AS OF DECEMBER 31, 1982 and 1981

<i>Assets</i>	1982	1981
Cash	\$ 7,008,891	\$ 6,580,469
Investments	20,279,337	18,405,122
Accrued Interest on Investments	159,501	186,930
Accounts Receivable	534,063	523,994
Inventories	43,078	50,967
Deposits, Prepaid and Deferred Items	103,137	133,721
Due from Other Funds	56,904	455,759
Cost of Boston Extension to Date	218,000,000	218,000,000
<i>Total Assets</i>	<i>\$246,184,911</i>	<i>\$244,336,962</i>
<hr/>		
<i>Liabilities and Fund Balances</i>		
Accounts Payable	\$ 173,778	\$ 58,852
Accrued Expenses and Payroll	746,431	652,158
Deposits and Deferred Income	87,776	37,556
Bond Interest-Unpaid Coupons	3,507	3,792
Due to Other Funds	92,568	518,154
Retainage	151,750	58,794
Boston Extension Revenue Bonds:		
1962 Series - 218M Dated January 1962		
Due January 1, 2002		
Bonds Outstanding		
Series A - 4 ³ / ₄ %	100,000,000	100,000,000
Series A - 4.15%	38,000,000	38,000,000
Series B - 4.5%	80,000,000	80,000,000
Fund Balances	26,929,101	25,007,656
<i>Total Liabilities and Fund Balances</i>	<i>\$246,184,911</i>	<i>\$244,336,962</i>

The Accompanying Footnotes are an Integral Part of these Combined Statements

MASSACHUSETTS TURNPIKE AUTHORITY
BOSTON EXTENSION
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 1982 and 1981



<i>Revenues</i>	1982	1981
Toll Revenue (Net)	\$22,251,600	\$21,224,842
Rental Income	1,357,805	1,309,444
Miscellaneous	30,901	47,170
Income from Investments:		
Revenue Fund	53,313	64,595
Replacement Reserve Fund	261,428	221,694
Bond Interest Account	481,923	594,023
Reserve Account	1,862,992	1,528,645
Total Revenues	\$26,299,962	\$24,990,413

Operating Expenses

Administrative	\$ 810,665	\$ 703,547
Retirement	736,937	605,363
Toll Collection	1,797,312	1,598,082
Police Patrol	220,425	211,706
Maintenance of Highway, Buildings and Equipment	1,821,612	1,634,274
Total Operating Expenses	\$ 5,386,951	\$ 4,752,972
Excess of Revenues Over Operating Expenses	\$20,913,011	\$20,237,441
Interest Requirements	\$ 9,527,000	\$ 9,527,000
Percentage of Interest Earned	219.51	212.42

BOSTON EXTENSION, CHAPTER 354 OF THE ACTS OF 1952
ANALYSIS OF FUND BALANCES
FOR THE YEARS ENDED DECEMBER 31, 1982 and 1981

	1982	1981
<i>Balances - beginning of year</i>	\$25,007,656	\$22,474,660
Excess of Revenues Over Operating Expenses for the Years Ended December 31, 1982 and 1981	20,913,011	20,237,441
Totals	\$45,920,667	\$42,712,101

Disbursements

Payment of Bond Interest	\$ 9,527,000	\$ 9,527,000
Replacement Reserve Expenditures	2,029,735	1,521,301
Transfers		
Excess Revenue Transferred to Initial Turnpike for Bond Redemption	7,434,831	6,656,144
Total Disbursements	\$18,991,566	\$17,704,445
Balances - end of year	\$26,929,101	\$25,007,656

The Accompanying Footnotes are an Integral Part of these Combined Statements

MASSACHUSETTS TURNPIKE AUTHORITY
COMBINED BOND INDEBTEDNESS
BONDS OUTSTANDING AND RETIRED FROM REVENUES
AS OF DECEMBER 1982 and 1981

Schedule A (With Comparative Figures for 1981)

	Original Amount Authorized and Issued	Acquired and Cancelled in Prior Years	Amount Outstanding 12/31/81	Acquired by Sinking Fund and Cancelled During 1982	Amount Outstanding 12/31/82
Initial Turnpike Revenue Bond					
Series 1954 - 3.30%					
Dated May 1, 1954					
Due May 1, 1994	\$239,000,000	\$194,186,000	\$ 44,814,000	\$ 20,612,000	\$24,202,000
Series 1968 - 5 ¹ / ₄ %					
Dated November 1, 1968					
Due May 1, 2008	15,000,000	7,800,000	7,200,000	1,070,000	6,130,000
	\$254,000,000	\$201,986,000	\$ 52,014,000	\$ 21,682,000	\$ 30,332,000
Boston Extension Revenue Bond					
Series 1962					
Dated January 1, 1962					
Due January 1, 2002					
Series A - 4 ³ / ₄ %	\$100,000,000		\$100,000,000		\$100,000,000
Series A - 4.15%	38,000,000		38,000,000		38,000,000
Series B - 4-5%	80,000,000		80,000,000		80,000,000
	\$218,000,000		\$218,000,000		\$218,000,000
Callahan-Sumner Tunnels Revenue Bond					
Series 1959					
Dated April 1, 1959					
Due April 1, 1999					
4 ³ / ₄ %	\$ 52,800,000	\$ 32,097,000	\$ 20,703,000	\$ 1,529,000	\$ 19,174,000
4 ¹ / ₄ %	1,600,000	1,211,000	389,000	0	389,000
	\$ 54,400,000	\$ 33,308,000	\$ 21,092,000	\$ 1,529,000	\$ 19,563,000
Total Bonds	\$526,400,000	\$235,294,000	\$291,106,000	\$ 23,211,000	\$267,895,000

The Accompanying Footnotes are an Integral Part of these Combined Statements

MASSACHUSETTS TURNPIKE AUTHORITY
COMBINED REVENUES, OPERATING EXPENSES
AND BOND INTEREST REQUIREMENTS
FOR THE YEARS ENDED DECEMBER 31, 1982 and 1981



Revenues, Operating Expenses, and Net Revenues

	Gross Revenues		Operating Expenses		Net Revenues	
	1982	1981	1982	1981	1982	1981
Initial Turnpike	\$47,083,526	\$45,778,448	\$20,448,474	\$18,224,410	\$26,635,052	\$27,554,038
Callahan-Sumner Tunnels	9,164,506	8,946,256	4,585,663	4,055,863	4,578,843	4,890,393
Boston Extension	26,299,962	24,990,413	5,386,951	4,752,972	20,913,011	20,237,441
Totals	\$82,547,994	\$79,715,117	\$30,421,088	\$27,033,245	\$52,126,906	\$52,681,872

	Net Revenues		Interest Requirements		Percentage of Interest Earned	
	1982	1981	1982	1981	1982	1981
Initial Turnpike	\$26,635,052	\$27,554,038	\$ 1,638,942	\$ 2,484,465	1625.14	1109.05
Callahan-Sumner Tunnels	4,578,843	4,890,393	978,680	1,101,664	467.86	443.91
Boston Extension	20,913,011	20,237,441	9,527,000	9,527,000	219.51	212.42
Totals	\$52,126,906	\$52,681,872	\$12,144,622	\$13,113,129	429.22	401.75

The Accompanying Footnotes are an Integral Part of these Combined Statements

MASSACHUSETTS
TURNPIKE
AUTHORITY

FINANCIAL
STATEMENTS
AND
CHARTS



FINANCIAL FOOTNOTES

FOOTNOTE A – GENERAL

The Authority operates three separate and financially distinct facilities, i.e., The Initial Turnpike, the Callahan-Sumner Tunnels, and The Boston Extension of the Massachusetts Turnpike. These facilities were financed by means of revenue bond issues totaling \$526,400,000. Neither the faith and credit nor the taxing power of the Commonwealth of Massachusetts or of any political subdivision thereof is pledged to the payment of the principal or interest on the bonds. The funds providing for the maintenance, operation and policing of these facilities, as well as principal and interest payments on the bond issues, are derived solely from tolls and other revenues generated by users.

FOOTNOTE B – THE ENABLING ACT

By Chapter 354 of the Acts of 1952 of the Commonwealth of Massachusetts, the Massachusetts Turnpike Authority was duly created a body politic and corporate and a public instrumentality of the Commonwealth of Massachusetts and was authorized and empowered to construct, maintain, repair and operate a toll express highway, known as the "Massachusetts Turnpike." Chapter 598 of the Acts of 1958 authorized and empowered the Massachusetts Turnpike Authority to acquire from the city of Boston the Sumner Tunnel and to construct and operate an additional vehicular tunnel between Boston proper and East Boston (known as the Callahan Tunnel).

FOOTNOTE C – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. General Accounting Practices

All accounts and records of the Authority are maintained in accordance with accounting practices consistent with the provisions of the following trust agreements: – The Trust Agreement dated as of May 1, 1954, relating to the Initial Turnpike; Trust Agreement dated as of April 1, 1959, relating to the Tunnel Revenue Bonds; and the Supplemental Trust Agreement dated as of January 1, 1962, relating to the Boston Extension. As a result of the terms of the bond resolutions and the related interpretation thereof, the Authority's accounting practices differ in certain respects from generally accepted accounting principles but are in accordance with accounting practices followed by similar entities.

2. Combined Financial Statements

In addition to the financial statements which are required to be presented annually for each of the three financially distinct facilities and bond issues secured by the foregoing trust agreement, the Authority, as a matter of policy and public information, also presents in its Annual Report financial statements reflecting the combined financial condition of the Initial Turnpike, Callahan-Sumner Tunnels, and Boston Extension.

3. The Fiscal Year

The Authority's fiscal year is the calendar year.

FINANCIAL FOOTNOTES

FOOTNOTE C - CONT.

4. Method of Accounting

The funds and accounts of the Authority are maintained on the accrual basis except for payments of bond interest which are paid out of the Sinking Fund Bond Interest Account on the cash basis.

5. Inventories

Inventories consist primarily of sodium chloride, calcium chloride, sand, bulk gasoline, and highway guardrail. Inventories are valued at cost utilizing the FIFO method.

6. Cost of Projects

The cost of Authority projects includes all costs for acquisition and construction, legal expenses and fees, financing charges, preparation and issuance of bonds, and all other items of expense defined and authorized in the trust agreements.

7. Revenues

All monies received by the Authority are deposited with The First National Bank of Boston, Trustee, or other bank depositories, and are held in trust and applied only in accordance with the provisions of the trust agreements. All monies deposited with the Trustee, or any other depository, are continuously secured for the benefit of the Authority and bondholders by marketable securities eligible as security for the deposit of trust funds and are approved and held by The First National Bank of Boston, Trustee. On or before the fifteenth day of each month, all monies held for the credit of the revenue funds on the last day of the preceding month, less an amount held for reserve for current expenses, are transferred by the Trustee and credited to the following accounts or funds:

a.) To the Sinking Fund Bond Interest Accounts, such amounts, if any, as may be required to make the balances therein equal to the amount of interest which will become payable within the next ensuing six months on all bonds then outstanding.

b.) To the Replacement Reserve Funds, such amounts, if any, as may be required to make the amount deposited in each fiscal year equal to the amounts recommended by the Consulting Engineers;

c.) To the Sinking Fund Reserve Accounts, such amounts, if any, as may be required to make the amount equal to the interest reserve requirements specified in the trust agreements;

d.) In the case of the Initial Turnpike and the Callahan-Sumner Tunnels, to the Redemption Accounts, the balance, if any, remaining after making deposits under clauses, a, b, and c above; and, in the case of the Boston Extension, to the Redemption Account in the Initial Turnpike Sinking Fund, the balance, if any, remaining after making the deposits as specified in the aforementioned clauses a, b, and c.

8. Operating Expenses

The term "current expenses" (operating expense) as defined in the Trust Agreements excludes any extraordinary maintenance, repairs, or allowance for depreciation. The Agreements provide that the Authority will on or before the first day of each fiscal year adopt annual budgets. The annual budgets of operating expenses for 1982 for the three facilities totaled \$30,429,000 as compared to actual expenses of \$30,421,088.

a.) Retirement System - By the enactment of Chapter 597 of the Acts of 1967, and acceptance thereof by the Authority, the Commonwealth of Massachusetts created the Massachusetts Turnpike Authority Employees' Retirement System. Accordingly, effective July 1, 1968, employees of the Authority are entitled to retirement benefits in accordance with the provisions of the Massachusetts Contributory Retirement Law (Chapter 32 of the General Laws, Sections 1-28). Pursuant to Section 22 (7) (e) of Chapter 32, the Authority is required to pay annually to the Massachusetts Turnpike Authority Employees' Retirement System, amounts certified by the State Actuary as necessary for payment of pension benefits to retired employees of the Authority and their beneficiaries and for the expenses of said system.

As of December 31, 1979 the Authority's actuarial consultant estimated the unfunded past service liability for the three entities to be \$23,400,300. By the enactment of Chapter 566 of the Acts of 1978, amending Chapter 32 of the General Laws, provision was made for the funding of the Retirement System of the Massachusetts Turnpike Authority. Under this Amendment, the Authority is required to fund the sum of (a) the normal pension cost for the

FINANCIAL FOOTNOTES

FOOTNOTE C - CONT.

8. Operating Expenses Cont.

current year, and (b) an amount sufficient to amortize unfunded past service liability prior to dissolution of the Authority.

Pursuant to Chapter 597 of the Acts of 1967 and Chapter 566 of the Acts of 1968, during fiscal year 1982, \$1,622,697 was expensed to the Retirement System for the Pension and Expense Funds, and \$990,000 for past service liability.

9. Replacement Reserve Funds

These funds are held for the purpose of paying for the cost of resurfacing, replacement or reconstruction, usual or extraordinary maintenance or repairs, renewals and replacements, the cost of replacing equipment, engineering expenses and premiums on insurance carried under the provisions of the trust agreements. As provided in the trust agreements, the Consulting Engineers are required annually to inspect the Authority's facilities and report to the Authority their findings and recommendations as to: a) estimate of the amount necessary for proper maintenance, repair and operation during the ensuing fiscal year, b) insurance to be carried under the provisions of the trust agreements, and c) amounts to be deposited during the ensuing fiscal year to the credit of the replacement reserve funds. For fiscal year 1982, the Consulting Engineers recommended the following amounts be deposited to the three replacement funds, and such amounts were so deposited: Initial Turnpike, \$9,500,000, Callahan-Sumner Tunnels, \$2,000,000, and the Boston Extension, \$2,000,000.

The estimated value of contracts outstanding as of December 31, 1982 for major repairs, renewals, and replacement programs is \$4,511,754.

FOOTNOTE D - SINKING FUND AND NET REVENUE REQUIREMENTS

The Trust Agreements require the Authority to take certain actions in the event the amounts deposited to the sinking funds, or net revenues in the case of the Boston Extension, are less than those referred to in Section 501 of the trust agreements. In 1982, the net revenues of the Boston Extension, were less than those referred to in the Supplemental Trust Agreement, and the deposits to the sinking fund of the Callahan-Sumner Tunnels were less than required by the 1959 Tunnels Trust Agreement.

The Authority is therefore required to request the Traffic Engineers to submit their recommendation with respect to a revision in the schedule of tolls, and the Trustee is required to notify the principal underwriters and bondholders of record of these deficiencies. The Authority and the Trustee have fulfilled their respective obligations under the terms of the trust agreements and the Traffic Engineers have been so notified to submit their recommendations.

FINANCIAL FOOTNOTES

FOOTNOTE E – LEASE AND INSTALLMENT PURCHASE COMMITMENTS

The Authority has entered into the following lease and installment purchase agreements which are in full force and effect as of December 31, 1982.

1. Rental of Administrative Offices in the city of Boston for the five year period terminating July 31, 1986.

2. Installment purchases for data processing equipment – During 1976 and 1978, the Authority executed amendments to the original 1971 agreement providing for certain enhancements and additions to the existing Burroughs data processing equipment, with payments amortized over the respective seven year periods. Additionally, on December 23, 1982, the Authority entered into a five year lease/purchase agreement to acquire a Sperry Univac System 80 Computer System.

3. Lease agreement providing for the rental of automatic toll collection equipment located at the Boston Extension and Callahan-Sumner Tunnels – The original lease agreements have been extended for a period terminating February 28, 1984 for the Boston Extension, and May 21, 1984 for the Callahan-Sumner Tunnels.

On January 31, 1980, the Urban Investment and Development Company entered into an amended lease with the Authority for ninety nine years for the air rights over property located in the Copley Square area of Boston. The Company is constructing on the site two hotels, retail offices, and a residential complex. Construction of the project commenced November 1980. The amended lease provides for revised rental payments of \$1,200,000 annually beginning with the commencement of construction and continuing through February 15, 2002. After dissolution of the Authority any subsequent lease payments will revert to the Commonwealth of Massachusetts.

FOOTNOTE F – LITIGATION

The Authority is contingently liable under pending litigation and/or claims in which the Authority is the defendant. In the opinion of the Authority, the total potential liability of such actions would not materially affect its financial statements.

MASSACHUSETTS TURNPIKE AUTHORITY
INITIAL TURNPIKE
FINANCIAL RESULTS OF OPERATION 1976-1982



	1976	1977	1978	1979	1980	1981	1982
<i>(Dollars in Thousands)</i>							
Gross Toll Revenue	\$ 27,580	\$ 29,355	\$ 31,129	\$ 31,100	\$ 39,053	\$ 41,482	\$ 43,300
Less Volume Discounts	(311)	(325)	(351)	(381)	(475)	(488)	(467)
Net Toll Revenue	\$ 27,269	\$29,030	\$ 30,778	\$30,719	\$ 38,578	\$ 40,994	\$ 42,833
Restaurant Revenue	767	807	863	870	925	963	1,018
Service Station Revenue	1,697	1,665	1,726	1,873	1,670	1,347	1,248
Miscellaneous	168	182	165	201	223	251	370
Income from Investments	1,215	1,194	1,429	1,658	1,756	2,223	1,614
Gross Revenues	\$ 31,116	\$ 32,878	\$ 34,961	\$ 35,321	\$ 43,152	\$ 45,778	\$ 47,083
Operating Expenses	\$ 11,140	\$ 12,118	\$ 13,247	\$ 14,387	\$ 16,240	\$ 18,224	\$ 20,448
Net Revenues	\$ 19,976	\$ 20,760	\$ 21,714	\$ 20,934	\$ 26,912	\$ 27,554	\$ 26,635
Bond Interest	\$ 5,057	\$ 4,664	\$ 4,264	\$ 3,845	\$ 3,333	\$ 2,484	\$ 1,639
Per Cent of Interest Earned	394.99	445.07	509.25	544.45	807.42	1109.04	1625.14
Deposits to Replacement Reserve	\$ 6,000	\$ 6,000	\$ 6,500	\$ 7,000	\$ 8,000	\$ 6,500	\$ 9,500
\$254,000,000 Revenue Bonds							
Retired During Year	\$ 11,876	\$ 11,375	\$ 12,651	\$ 11,804	\$ 22,219	\$ 28,429	\$ 21,682
Average Price Paid	\$ 84.94	\$ 91.82	\$ 92.44	\$ 86.35	\$ 91.03	\$ 94.77	\$ 99.48
Retired to Date	\$115,508	\$126,883	\$139,534	\$151,338	\$173,557	\$201,986	\$223,668
Per Cent Retired to Date	45.5	50.0	54.9	59.6	68.3	79.5	88.1
Bonds Outstanding	\$138,492	\$127,117	\$114,466	\$102,662	\$ 80,443	\$ 52,014	\$ 30,332

MASSACHUSETTS TURNPIKE AUTHORITY
BOSTON EXTENSION
FINANCIAL RESULTS OF OPERATION 1976 - 1982

	1976	1977	1978	1979	1980	1981	1982
<i>(Dollars in Thousands)</i>							
Net Toll Revenue	\$13,861	\$14,575	\$15,339	\$15,835	\$19,893	\$21,225	\$22,252
Rental & Miscellaneous Income	193	217	188	315	351	1,356	1,388
Income from Investments	988	1,016	1,119	1,508	1,728	2,409	2,660
Gross Revenues	\$15,042	\$15,808	\$16,646	\$17,658	\$21,972	\$24,990	\$26,300
Operating Expenses	\$ 2,950	\$ 3,239	\$ 3,500	\$ 3,779	\$ 4,256	\$ 4,753	\$ 5,387
Net Revenues	\$12,092	\$12,569	\$13,146	\$13,878	\$17,716	\$20,237	\$20,913
Bond Interest	\$ 9,527	\$ 9,527	\$ 9,527	\$ 9,527	\$ 9,527	\$ 9,527	\$ 9,527
Per Cent of Interest Earned	126.92	131.93	137.99	145.67	185.96	212.42	219.51
Deposits to Replacement Reserve	\$ 1,000	\$ 1,500	\$ 1,800	\$ 2,300	\$ 1,500	\$ 2,000	\$ 2,000
Balance in General Reserve	\$11,106	\$11,912	\$12,729	\$13,810	\$15,021	\$16,549	\$18,412
Transfer to Initial Turnpike	\$ 696	\$ 585	\$ 819	\$ 635	\$ 4,822	\$ 6,656	\$ 7,435

CALLAHAN-SUMNER TUNNELS
FINANCIAL RESULTS OF OPERATION 1976 - 1982

	1976	1977	1978	1979	1980	1981	1982
<i>(Dollars in Thousands)</i>							
Net Toll Revenue	\$ 6,398	\$ 6,343	\$ 6,575	\$ 7,044	\$ 7,894	\$ 8,215	\$ 8,293
Rental & Miscellaneous Income	44	98	61	66	61	81	83
Income from Investments	346	326	331	481	510	650	788
Gross Revenues	\$ 6,788	\$ 6,767	\$ 6,967	\$ 7,591	\$ 8,465	\$ 8,946	\$ 9,164
Operating Expenses	\$ 2,602	\$ 2,800	\$ 2,961	\$ 3,037	\$ 3,573	\$ 4,056	\$ 4,586
Net Revenues	\$ 4,186	\$ 3,967	\$ 4,006	\$ 4,554	\$ 4,892	\$ 4,890	\$ 4,579
Bond Interest	\$ 1,722	\$ 1,622	\$ 1,524	\$ 1,407	\$ 1,270	\$ 1,102	\$ 979
Per Cent of Interest Earned	243.13	244.52	262.83	323.70	385.27	443.91	467.86
Deposits to Replacement Reserve	\$ 500	\$ 300	\$ 400	\$ 500	\$ 600	\$ 500	\$ 2,000
\$54,000,000 Revenue Bonds							
Retired During Year	\$ 2,228	\$ 2,033	\$ 2,288	\$ 2,570	\$ 3,517	\$ 3,748	\$ 1,529
Average Price Paid	\$ 88.70	\$ 94.43	\$ 94.19	\$ 92.95	\$ 83.44	\$ 83.99	\$ 88.65
Retired to Date	\$19,152	\$21,185	\$23,473	\$26,043	\$29,560	\$33,308	\$34,837
Per Cent Retired to Date	35.2	38.9	43.1	47.9	54.3	61.2	64.0
Bonds Outstanding	\$35,248	\$33,215	\$30,927	\$28,357	\$24,840	\$21,092	\$19,563

MASSACHUSETTS TURNPIKE AUTHORITY
INITIAL TURNPIKE
CLASS COMPARISON 1982 vs. 1981



Class Description	Transactions		Increase or (Decrease)	%	Revenue		Increase or (Decrease)	%
	1982	1981			1982	1981		
1. Passenger Vehicle or Light Truck (Taxis, Suburbans, Ambulances, Motorcycles, Hearses)	\$40,807,925	\$38,277,425	\$2,530,500	6.6	\$30,017,737	\$28,335,109	\$1,682,628	5.9
2. Passenger Vehicle or Light Truck with One or Two Axle Trailer	240,420	237,314	3,106	1.3	335,265	330,579	4,686	1.4
3. Trucks - Five or More Axles	2,280,248	2,200,335	79,913	3.6	7,765,017	7,639,615	125,402	1.6
5. Medium Trucks - Dual Tires with Two Axles	957,692	939,526	18,166	1.9	1,292,356	1,265,852	26,504	2.1
6. Trucks - Three Axles	232,131	229,098	3,033	1.3	398,458	393,680	4,778	1.2
7. Trucks - Four Axles	793,650	820,593	(26,943)	(3.3)	2,052,971	2,115,497	(62,526)	(3.0)
8. Bus	226,542	226,705	(163)	(.1)	402,422	403,938	(1,516)	(.4)
9. Tandem Trailer - Units	77,520	73,309	4,211	5.7	1,035,538	997,475	38,063	3.8
10. Non-Revenue Vehicles	276,117	255,027	21,090	8.3				.0
Totals	\$45,892,245	\$43,259,332	\$2,632,913	6.1	\$43,299,764	\$41,481,745	\$1,818,019	4.4

BOSTON EXTENSION
CLASS COMPARISON 1982 vs. 1981

Class Description	Transactions		Increase or (Decrease)	%	Revenue		Increase or (Decrease)	%
	1982	1981			1982	1981		
1. Passenger Vehicle or Light Truck (Taxis, Suburbans, Ambulances, Motorcycles, Hearses)	\$58,348,715	\$55,302,549	\$3,046,166	5.5	\$20,064,136	\$19,069,053	\$ 995,083	5.2
2. Passenger Vehicle or Light Truck with One or Two Axle Trailer	50,933	54,275	(3,342)	(6.2)	34,959	37,328	(2,369)	(6.3)
3. Trucks - Five or More Axles	880,993	817,183	63,810	7.8	800,531	741,806	58,725	7.9
5. Medium Trucks - Dual Tires with Two Axles	1,174,214	1,175,746	(1,532)	(.1)	525,736	525,979	(243)	(.0)
6. Trucks - Three Axles	229,071	217,229	11,842	5.5	130,097	123,404	6,693	5.4
7. Trucks - Four Axles	405,310	439,991	(34,681)	(7.9)	285,288	308,971	(23,683)	(7.7)
8. Bus	640,570	637,149	3,421	.5	390,653	389,953	700	0.2
9. Tandem Trailer - Units	23,783	23,980	(197)	(.8)	30,918	31,174	(256)	(.8)
10. Non-Revenue Vehicles	244,775	231,816	12,959	5.6				.0
Totals	\$61,998,364	\$58,899,918	\$3,098,446	5.3	\$22,262,318	\$21,227,668	\$1,034,650	4.9

MASSACHUSETTS TURNPIKE AUTHORITY
CALLAHAN-SUMNER TUNNELS
CLASS COMPARISON 1982 vs. 1981

Class Description	Transactions		Increase or (Decrease)	%	Revenue		Increase or (Decrease)	%
	1982	1981			1982	1981		
1. Passenger Car, Taxi Light Truck, Ambulance, Motorcycle, Hearse	\$25,282,997	\$24,986,362	\$296,635	1.2	\$7,579,598	\$7,490,992	\$88,606	1.2
2. Passenger Car with Single Axle Trailer, Two Axle Single Tire Truck with Single-Axle Trailer	7,818	8,304	(486)	(5.9)	3,127	3,322	(195)	(5.9)
4. Trucks - Five or More Axles	18,387	15,563	2,824	18.1	10,113	8,560	1,553	18.1
5. Two-Axle Dual-Tire Truck	400,760	401,358	(598)	(.1)	160,304	160,543	(239)	(.1)
6. Three Axle Truck Two-Axle Dual-Tire, Truck with Single Axle Trailer	37,833	33,463	4,370	13.1	17,025	15,058	1,967	13.1
7. Four Axle Truck with or without Trailer, Class 1 Vehicle with Two- Axle Trailer	58,121	62,620	(4,499)	(7.2)	29,061	31,310	(2,249)	(7.2)
8. Bus	192,488	163,270	29,218	17.9	57,746	48,981	8,765	17.9
9. Commuter	2,118,744	2,236,414	(117,670)	(5.3)	423,749	447,283	(23,534)	(5.3)
10. Non-Revenue Vehicles	180,518	179,439	1,079	.6				.0
Totals	\$28,297,666	\$28,086,793	\$210,873	.8	\$8,280,723	\$8,206,049	\$74,674	.9

INITIAL TURNPIKE
COMPARISON OF INTERCHANGE TRANSACTIONS 1982 vs. 1981

Interchange	No.	Entrance		Increase or (Decrease)	%	Exit		Increase or (Decrease)	%
		1982	1981			1982	1981		
W. Stockbridge	1.	\$ 1,963,532	\$ 1,891,446	\$ 72,086	3.8	\$ 1,926,814	\$ 1,851,805	\$ 75,009	4.1
Lee	2.	944,049	900,614	43,435	4.8	983,788	938,417	45,371	4.8
Westfield	3.	1,373,604	1,293,100	80,504	6.2	1,398,862	1,322,008	76,854	5.8
W. Springfield	4.	2,505,363	2,378,775	126,588	5.3	2,570,015	2,436,982	133,033	5.5
Chicopee	5.	1,286,489	1,277,396	9,093	.7	1,182,018	1,167,598	14,420	1.2
Springfield	6.	1,974,407	1,899,206	75,201	4.0	2,029,845	1,952,486	77,359	4.0
Ludlow	7.	1,083,264	1,015,935	67,329	6.6	1,024,611	971,284	53,327	5.5
Palmer	8.	1,285,840	1,210,176	75,664	6.3	1,248,815	1,182,606	66,209	5.6
Sturbridge	9.	4,916,383	4,689,799	226,584	4.8	4,961,029	4,724,704	236,325	5.0
Auburn	10.	3,895,843	3,673,366	222,477	6.1	3,824,647	3,588,594	236,053	6.6
Millbury	11.	981,299	884,271	97,028	11.0	1,089,344	996,708	92,636	9.3
Westborough	11.A	3,455,387	3,119,677	335,710	10.8	3,327,731	3,023,473	304,258	10.1
Framingham	12.	2,785,096	2,628,317	156,779	6.0	2,924,092	2,783,000	141,092	5.1
Natick	13.	4,994,569	4,660,726	333,843	7.2	5,053,669	4,677,517	376,152	8.0
Weston	14.	6,169,346	5,816,524	352,822	6.1	5,966,335	5,607,156	359,179	6.4
Newton	15.	6,277,774	5,920,004	357,770	6.0	6,380,630	6,034,994	345,636	5.7
Totals		\$45,892,245	\$43,259,332	\$2,632,913	6.1	\$45,892,245	\$43,259,332	\$2,632,913	6.1

MASSACHUSETTS TURNPIKE AUTHORITY
INITIAL TURNPIKE
COMPARISON OF INTERCHANGE REVENUES 1982 vs. 1981



Interchange	No.	Entrance		Increase or (Decrease)	%	Exit		Increase or (Decrease)	%
		1982	1981			1982	1981		
W. Stockbridge	1.	\$5,824,463	\$5,706,237	\$118,226	2.1	\$5,779,319	\$5,620,384	\$158,935	2.8
Lee	2.	1,405,312	1,353,549	51,763	3.8	1,442,245	1,391,159	51,086	3.7
Westfield	3.	891,196	843,761	47,435	5.6	907,079	861,278	45,801	5.3
W. Springfield	4.	2,511,663	2,394,778	116,885	4.9	2,476,702	2,359,195	117,507	5.0
Chicopee	5.	690,568	676,980	13,588	2.0	678,386	657,373	21,013	3.2
Springfield	6.	2,403,684	2,342,877	60,807	2.6	2,386,098	2,338,771	47,327	2.0
Ludlow	7.	733,576	693,745	39,831	5.7	714,586	679,315	35,271	5.2
Palmer	8.	937,940	886,339	51,601	5.8	929,873	881,671	48,202	5.5
Sturbridge	9.	5,614,442	5,372,564	241,878	4.5	5,530,410	5,286,799	243,611	4.6
Auburn	10.	4,229,301	4,077,008	152,293	3.7	4,167,601	3,994,987	172,614	4.3
Millbury	11.	1,001,608	923,627	77,981	8.4	1,104,383	1,040,615	63,768	6.1
Westborough	11.A	3,102,750	2,821,167	281,583	10.0	3,127,505	2,883,484	244,021	8.5
Framingham	12.	1,288,519	1,235,662	52,857	4.3	1,403,949	1,352,607	51,342	3.8
Natick	13.	1,620,623	1,518,077	102,546	6.8	1,587,723	1,475,065	112,658	7.6
Weston	14.	6,190,159	5,995,533	194,626	3.2	5,973,191	5,768,593	204,598	3.5
Newton	15.	4,821,117	4,609,708	211,409	4.6	5,057,871	4,860,316	197,555	4.1
Car Pool Program		32,843	30,133	2,710	9.0	32,843	30,133	2,710	9.0
Totals		\$43,299,764	\$41,481,745	\$1,818,019	4.4	\$43,299,764	\$41,481,745	\$1,818,019	4.4

BOSTON EXTENSION
STATISTICAL COMPARISON 1982 vs. 1981

Interchange	No.	Transactions		Increase or (Decrease)	%	Revenue		Increase or (Decrease)	%
		1982	1981			1982	1981		
Newton - Turnpike	15.	\$12,612,797	\$11,910,552	\$702,245	5.9	\$4,604,368	\$4,358,793	\$245,575	5.6
Newton - 128	15.	11,176,130	10,600,941	575,189	5.4	3,963,987	3,764,330	199,657	5.3
West Newton	16.	2,740,379	2,566,252	174,127	6.8	544,147	509,906	34,241	6.7
Allston									
Off East - On West	18.	8,004,519	7,360,987	643,532	8.7	2,093,755	1,932,331	161,424	8.4
Thru Traffic	19.	20,083,087	19,375,540	707,547	3.7	8,378,462	8,087,288	291,174	3.6
Off West - On East	20.	7,381,452	7,085,646	295,806	4.2	2,656,352	2,554,524	101,828	4.0
Car Pool Program						21,247	20,496	751	3.7
Totals		61,998,364	58,899,918	3,098,446	5.3	\$22,262,318	\$21,227,668	\$1,034,650	

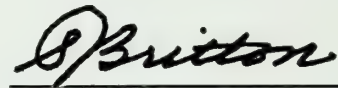
MASSACHUSETTS
TURNPIKE
AUTHORITY

EMPLOYEES'
RETIREMENT
SYSTEM

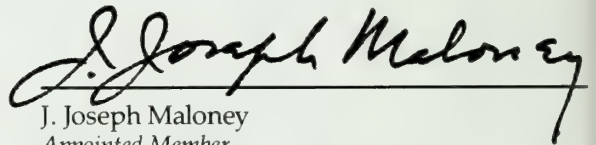


February 28, 1983
Massachusetts Turnpike Authority
Employees' Retirement System

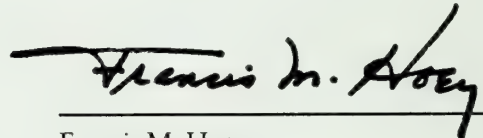
In accordance with the provisions of section 20, subsection 5, paragraph (i) of Chapter 32 of the General Laws, we are pleased to submit herewith, for publication in the Massachusetts Turnpike Authority Annual Report to the Governor and General Court, a copy of the report of the financial condition of the Massachusetts Turnpike Authority Employees' Retirement System as of December 31, 1982.



S.J. Britton
Ex-officio — Chairman



J. Joseph Maloney
Appointed Member



Francis M. Hoey
Elected Member

MASSACHUSETTS TURNPIKE AUTHORITY
EMPLOYEES' RETIREMENT SYSTEM
STATEMENT OF CONDITION
AS OF DECEMBER 31, 1982

<i>Assets</i>		1982	1981
<i>(unaudited)*</i>			
Cash in Bank		655	1,972
Investments			
Government bonds	3,797,277		3,353,853
Railroad equipment trust certificates	1,093,289		1,092,443
Public Utility bonds	1,966,792		1,954,670
Bank and industrial notes and bonds	1,688,268		1,848,574
Telephone bonds	5,148,608		4,716,935
Mortgage loan pass-through certificates	499,945		
Short-term investments available cash	2,489,749		238,138
Term deposits	170,000		140,000
Certificates of deposit	300,000		200,000
Accrued interest on investments	417,649		395,948
<i>Total Assets</i>		17,572,232	13,942,533
<i>Funds and Liabilities</i>			
Annuity Savings Fund	6,333,719		5,350,208
Annuity Reserve Fund	1,546,442		1,372,848
Pension Fund	3,630,868		2,790,206
Expense Fund	70,495		94,471
Past Service Liability Fund	5,990,708		4,334,800
<i>Total Funds and Liabilities</i>		17,572,232	13,942,533

*See Notes To Financial Statements

MASSACHUSETTS TURNPIKE AUTHORITY
EMPLOYEES' RETIREMENT SYSTEM
STATEMENT OF CASH
AS OF DECEMBER 31, 1982 and 1981



	1982	1981
(unaudited)*		
Cash in Bank, December 31	\$ 1,972	\$ 497
Short-term investments, available cash	238,137	113,667
Total cash available, January 1	\$ 240,109	\$ 114,164

Receipts

Members' contributions	\$ 909,899	\$ 834,668
Transfers of members' accounts from other systems	93,693	7,552
Pensions reimbursements from other systems	57,106	51,300
Massachusetts Turnpike Authority:		
Pension Fund appropriation	1,511,997	1,400,000
Expense Fund appropriation	109,300	98,300
Past Service Liability Fund appropriation	1,050,000	100,000
Workmen's compensation credits	1,400	
Sale of investments	690,057	329,982
Gain on sale of investments	18,421	42,575
Return of principal on mortgage loan pass-through certificates	699	
Investment income	1,756,286	1,359,717
Total Receipts	\$6,198,858	\$4,224,094

Disbursements

Annuity payments	\$ 127,962	\$ 109,134
Pension payments	1,545,865	1,407,956
Pension reimbursements to other systems	14,645	11,268
Refunds to beneficiaries:		
Option B annuity payments	22,121	30,272
Contributions of deceased employees	41,312	7,908
Refunds to inactive members	103,082	98,404
Transfers of members' accounts to other systems	9,187	14,908
Administrative expenses	133,277	108,515
Investments	1,912,825	2,266,984
Accrued interest on bonds purchased	38,288	42,800
Total Disbursements	\$3,948,564	\$4,098,149
Balance, December 31, 1982 and 1981	\$2,490,403	\$ 240,109
Cash in bank, December 31, 1981 and 1982	\$ 655	\$ 1,972
Short-term investments, available cash	2,489,748	238,137
Balance December 31, 1982 and 1981	\$2,490,403	\$ 240,109

*See Notes To Financial Statements

EMPLOYEES' RETIREMENT SYSTEM

The Massachusetts Turnpike Authority Employees' Retirement System was established as a contributory retirement system, subject to the provisions of Massachusetts General Laws, Chapter 32, section 1-28, by enactment of Chapter 597 of the Acts of 1967 and its acceptance by the Authority. The operative date was July 1, 1968.

The system is managed by a board of three members, including S. J. Britton, secretary-treasurer of the Authority, who is a member ex-officio and Chairman; Attorney J. Joseph Maloney, appointed member; and Francis M. Hoey, elected member, who is serving his sixth consecutive term following re-election by the membership in 1982.

ACCOUNTING POLICIES

The accounting policies used by the Massachusetts Turnpike Authority Employees' Retirement System follow the principles and practices for public employee contributory retirement systems as promulgated by the Commonwealth of Massachusetts, Division of Insurance, pursuant to the provisions of Chapter 32, section 21, of the Massachusetts General Laws.

Records of the Retirement System are periodically audited by the Division of Insurance of the Commonwealth in accordance with the provisions of the statute. The last such audit was completed in June, 1979, and covered the period from January 1, 1975 through December 31, 1978. Additionally, in August, 1978, the retirement board authorized an audit by an independent accounting firm of refunds of retirement contributions to former employees. This audit was completed in January, 1979, and included the ten-year period from July 1, 1968 through June 30, 1978.

In 1978, a procedure was established to periodically verify that persons entitled to receive retirement and survivorship allowances are living and that payments are being properly made. The third such verification was completed in 1982.

Direct deposit of retirement allowance checks to payee's bank accounts increased to 135 in 1982 representing 31% of the total number of payments per month.

EMPLOYEES' RETIREMENT SYSTEM

INVESTMENTS

Assets of the Retirement System are invested pursuant to the provisions and limitations of Chapter 32, section 23, of the Massachusetts General Laws. Investment earnings for the year 1982 totalled \$1,875,333 of which \$598,503 was attributable to investments of the Past Service Liability Fund. The balance of \$1,276,830 investment income represented a rate of return of 12.04% of mean ledger assets of the other funds of the Retirement System, and was applied to those funds in accordance with the statute. Interest was credited to individual members' accounts at the rate of 8.4% as determined by the Division of Insurance. *THE INVESTMENT INCOME DISTRIBUTION TOTALS FOLLOW:*

Annuity Savings Fund	\$ 430,315
Annuity Reserve Fund	42,213
Pension Fund	804,302
.....	
<i>Total</i>	<i>\$1,276,830</i>
.....	

In 1982, the Board voted to participate to the extent of \$500,000 with other retirement systems in Massachusetts in a mortgage loan pass-through certificate program, yielding 15.25% to the system. The program made funds available to Massachusetts residents for home mortgages at a fixed rate through participating local banks throughout the Commonwealth.

BENEFITS

During 1982, 31 employees were retired by the retirement board, bringing to 469 the number of employees retired since the inception of the system in 1968. Retirement allowances totalling \$1,674,222 were paid in 1982, of which \$127,962 were annuity payments, \$1,280,478 were pension payments to retirees, and \$265,782 were pension payments to survivors and beneficiaries of deceased employees and retirees. Pension reimbursements totalling \$57,106 were received from other systems and reimbursements of \$14,645 were paid to other systems. Recipients of retirement benefits as of December 31, 1982 numbered 345 retirees and 90 survivors and beneficiaries.

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MASSACHUSETTS TURNPIKE AUTHORITY ANNUAL REPORT

1983



MASSACHUSETTS TURNPIKE AUTHORITY

The Massachusetts Turnpike Authority was created by Chapter 354 of the Acts of 1952 as an autonomous instrumentality of the Commonwealth to discharge the public functions which have, from time to time, been delegated to it by the Legislature. The Authority acts through a board of three members, one of whom is designated as Chairman, that are appointed by the Governor for terms of eight years.

The Authority operates three separate and financially distinct facilities, i.e., The Massachusetts Turnpike, The Callahan-Sumner Tunnels and The Boston Extension of the Massachusetts Turnpike. These facilities were financed by means of three revenue bond issues totalling over five hundred million dollars. Neither the faith and credit nor the taxing power of the Commonwealth of Massachusetts or of any political subdivision thereof is pledged to the payment of the principal of or interest on the bonds, the funds providing for the maintenance, operation and policing of these facilities, as well as principal and interest payments on the bond issues, are derived solely from tolls and other revenues generated by users.

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GOVERNMENT DOCUMENTS
COLLECTION
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MASSACHUSETTS TURNPIKE AUTHORITY

BOARD MEMBERS



John T. Driscoll
Chairman



Edward T. Hanley
Vice Chairman



Anne H. McHugh
Member

MASSACHUSETTS TURNPIKE AUTHORITY

STAFF MEMBERS

Top Row

S. J. Britton

Secretary-Treasurer

J. W. Francis

Director of Personnel

R. J. Fontana

Resident Counsel



Second Row

W. P. Driscoll

Superintendent of Tunnels

D. R. Nagle

Director of Real Estate

E. M. King

*Director of
Community Relations*

A. T. McCann

*Equal Employment
Opportunity Officer*



Third Row

M. C. Crain

Chief Engineer

J. T. Dias

Maintenance Engineer

H. Finn

*Superintendent of
Toll Collection*



Bottom Row

J. N. Grim

Assistant Chief Engineer

R. A. Morse, Jr.

*Commander, Troop 'E'
Mass. State Police*

H. Healy

Secretary to Chairman



Staff Members Not Pictured

P. F. Byron

*Assistant Secretary
Assistant Treasurer*

W. M. Coffill

*Manager of
Computer Services*

K. R. Lewis

Controller

G. F. Coughlin

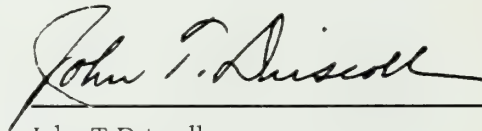
*Secretary to
Retirement Board*

February 29, 1984
His Excellency Michael S. Dukakis
Governor of the Commonwealth of Massachusetts
and
Members of the Senate and House of Representatives
Boston, Massachusetts

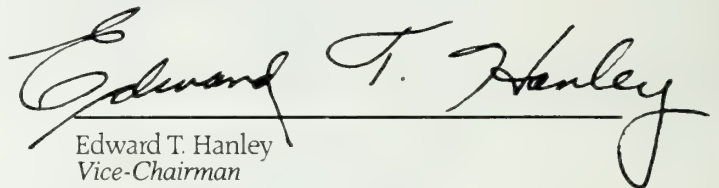
His Excellency and Honorable Members:

In accordance with this Authority's enabling legislation, section 15, Chapter 354, Acts of 1952, as amended, we are pleased to submit herewith the Thirtieth Annual Report of the Massachusetts Turnpike Authority covering the 1983 operation of the initial section of the Massachusetts Turnpike, the Boston Extension thereto, and the Callahan-Sumner Tunnels.

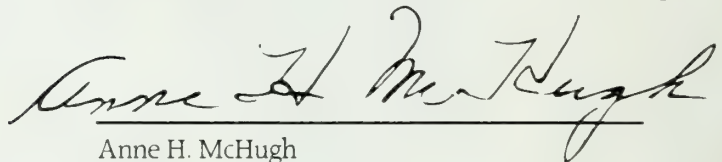
Further, in accordance with the provisions of Chapter 32, section 20, subsection 5, paragraph (i) of the General Laws, we are also submitting herewith the report of the financial condition of the Massachusetts Turnpike Authority Employees' Retirement System as of December 31, 1983.



John T. Driscoll
Chairman



Edward T. Hanley
Vice-Chairman



Anne H. McHugh
Member

HIGHLIGHTS 1983



MASSACHUSETTS
TURNPIKE
AUTHORITY



HIGHLIGHTS 1983

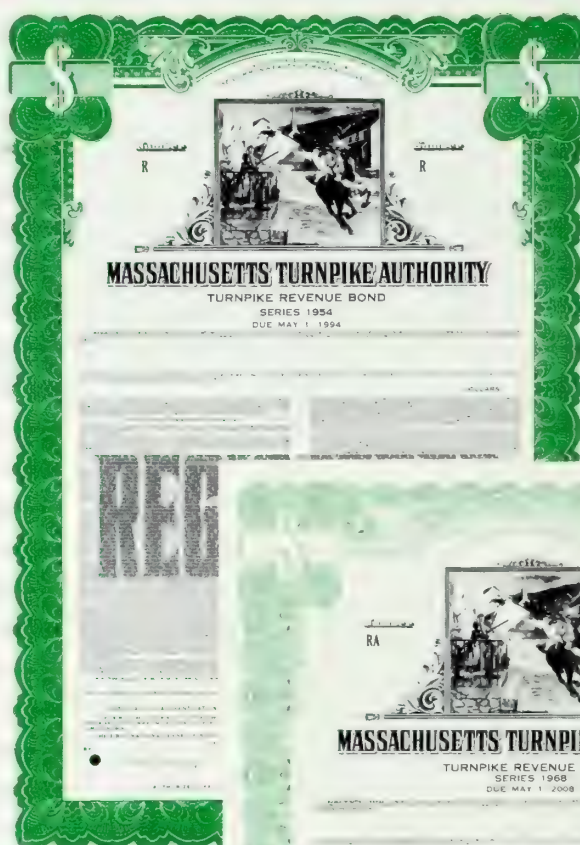
The year 1983 was one of significant financial accomplishment for the Massachusetts Turnpike Authority. On December 30, 1983 the Authority called for redemption, effective January 31, 1984, the remaining \$12,489,000 of the \$254,000,000 Initial Turnpike Revenue Bonds issued in 1954 and 1968 to finance the construction of the Initial Turnpike between the New York State line and Route 128 in Weston, and to finance the widening of the turnpike between Sturbridge and Framingham. Pursuant to the provisions of the Supplemental Trust Agreement Relating to the Boston Extension, dated as of January 1, 1962, this action fulfilled the definition of the "Retirement Date" as set forth therein and, in turn, triggered the following additional events: (1) defeasance of the 1954 Trust Agreement securing the Initial Turnpike bonds; (2) transfer of all monies held in the special funds and accounts created by the 1954 Trust Agreement to the designated special funds and accounts created by the 1962 Supplemental Trust Agreement; (3) effective January 1, 1984, the maintenance repair and operation of the Boston Extension and the Initial Turnpike as a single turnpike project, known as the Massachusetts Turnpike; and (4) on December 30, 1983, the Authority also called for refunding the \$80,000,000 Boston Extension Series B Revenue Bonds, 4-5%, effective March 1, 1984, and authorized on that date the issuance of \$107,600,000 Boston Extension Series B Revenue Refunding Bonds; and (5) effective January 1, 1984, the tolls and other revenues derived from operation of the Massachusetts Turnpike will be dedicated to payment of principal and interest on the Boston Extension Series A Revenue Bonds and Boston Extension Series B Revenue Refunding Bonds.

A total of \$30,332,000 principal amount Initial Turnpike Revenue Bonds and \$3,095,000 principal amount Callahan-Sumner Tunnel Revenue Bonds, were retired or called for redemption during 1983. Outstanding Callahan-Sumner Tunnel bonds have been reduced from \$54,400,000 to \$16,468,000, or by 70% as of December 31, 1983.

Total gross revenue of the Authority in 1983 amounting to \$87,724,613 was 6.3%, or \$5,176,619, greater than in 1982. Gross revenue of the Initial Turnpike increased by \$3,546,094, or by 7.5%, i.e., from \$47,083,526 in 1982 to \$50,629,620 in 1983. Boston Extension gross revenue increased by \$1,402,115, or 5.3%, i.e., from \$26,299,962 in 1982 to \$27,702,077 in 1983 and gross revenue of the Callahan-Sumner Tunnels increased by \$228,410, or 2.5%, i.e., from \$9,164,506 in 1982 to \$9,392,916 in 1983.

The Authority's total operating expenses increased by \$2,257,682, or 7.4%, over 1982 expenses. Net revenue amounting to \$55,045,843 was \$2,918,937, or 5.6%, greater than 1982.

In 1983 \$7,469,411 of Boston Extension revenue was transferred to the Initial Turnpike Redemption Account for retirement of Initial Turnpike bonds as provided in the 1962 Supplemental Trust Agreement. This is the ninth and final year that transfers have been made to this account. Total transfers from December 31, 1974 to December 31, 1983 amounted to \$29,227,148.



HIGHLIGHTS 1983

COPLEY PLACE

The Turnpike Authority, in a joint ceremony with the Copley Place developer, Urban Investment and Development Company, on June 20, 1983, opened the newly constructed permanent exit ramps for Turnpike Exit 22. The new ramps, which circle under the central core of the development, replace the temporary ramp that was in place for two years and re-establishes separate exits to the Prudential Center on Huntington Avenue and to Copley Square via Stuart and Dartmouth Streets.

After two and one-half years of construction, the first phase of the Copley Place development to be completed was the 36 story, 804 room Westin Hotel which opened on August 1, 1983. The Westin is meeting its agreed upon quotas in terms of Boston residents, minorities, and women in filling some 900 new jobs.

The other phases of construction of this \$500 million multi-use development project are also nearing completion. Four office buildings, seven stories high, with over 800,000 square feet of rentable space should be ready for occupancy in

early 1984. Three enclosed garages provide 1,400 parking spaces. The main garage is expected to open in mid-January, 1984. The three-level Neiman-Marcus specialty department store, scheduled for a mid-February, 1984 opening, is combined with a two-level shopping gallery having 100 stores. The central section will also include an atrium, nine movie screens, and restaurants. The 1,145 room Marriott convention hotel is expected to open in July, 1984. Lastly, the 100 mixed income housing units are expected to be well into construction in early 1984.

The 9.5 acre land and air rights project not only encapsulates the Massachusetts Turnpike, including an interchange, but also Turnpike easements granted for railroad facilities of Conrail which are jointly used by Amtrak and MBTA rapid transit. In addition, the development includes two glass enclosed pedestrian bridges over major street thoroughfares. One connects the Westin Hotel with the central shopping plaza by spanning Stuart Street. The second crosses over Huntington Avenue to join the Prudential Center.

WANG LABORATORIES DEVELOPMENT PROJECT

Several actions were completed in 1983 permitting Wang to proceed with their initial construction of a manufacturing facility within the 5.9 acre parcel of land leased in 1982 from the Turnpike Authority at Kneeland Street, in downtown Boston.

The Turnpike exit ramp was relocated by the MBTA to facilitate the construction of future ramps to and from the South Station Transportation Center thereby creating open land for the Wang development. The 30 inch gas main which bisected the development parcel was relocated in a corridor that will include a new 78 inch interceptor sewer at the easterly edge of

Turnpike property. Lastly, Conrail relinquished an easement for an inactive spur track that cut across the leased area.

Consequently, on December 14, 1983, a groundbreaking ceremony was held on the building site for Wang Laboratories' first building construction in Boston involving a ten-story complex which will include a manufacturing facility and offices. Foundation piles are being driven to bed rock to support the 80 foot by 130 foot \$10 million manufacturing facility.

This construction fulfills a promise of Dr. An Wang to build a plant in Boston's Chinatown.

COMPUTER SERVICES

During July the computer services staff successfully completed the conversion of existing financial applications to the Sperry Univac System 80 acquired by the Authority in 1982. At year end, arrangements were being made for the phased-in installation of on-line data communication links between the computer operations facility in Allston-Brighton and other Authority office facilities located in eastern Massachusetts.

ONE-WAY TOLL COLLECTION CALLAHAN-SUMNER TUNNELS

On May 2, 1983, the Massachusetts Turnpike Authority and the Massachusetts Port Authority jointly began a 120 day experiment of one-way toll collection at the Callahan-Sumner Tunnels and the Mystic-Tobin Bridge, two of the region's important transportation facilities across Boston's inner harbor. Under the one-way toll system, motorists pay one round trip toll on the way into the city of Boston. With drivers not having to stop in the outbound direction, better traffic flow was anticipated.

The State Executive Office of Transportation and Construction established a working committee comprised of representatives from the affected state and city transportation agencies to coordinate the one-way toll experiment. Consulting traffic engineers were engaged to monitor traffic volumes, direction of flows, toll revenue, types of vehicles, and travel time at the bridge and tunnels as well as vehicular flow on diversion routes. Consulting services also included developing traffic management alternatives into and within the Callahan Tunnel in addition to analysis and design assistance related to the alignment route at the Callahan Tunnel exit requiring removal of toll facilities.

In the short time of one month, two toll booths were removed at the Callahan exit to facilitate the experiment. Similarly, toll booths were dismantled on the lower level of the Mystic-Tobin Bridge. Further, prior to the one-way toll experiment, barrels were positioned to field test traffic

management alternatives of controlling weaving and merging traffic movements at the entrance to the Callahan Tunnel.

The three month experiment proved to be a success. Improvement in outbound traffic flow was noted. Revenue had not significantly changed. At the Callahan Tunnel, throughput capacity increased by about 14 per cent, speed increased about 11 miles per hour, and travel time decreased by approximately 3 minutes. There was a high rate of acceptance by patrons of both facilities. Accordingly, on August 3, the Turnpike Authority adopted its Traffic Engineer's recommendation of establishing a permanent one-way toll system to be conducted in conjunction with the Mystic-Tobin Bridge. The Massachusetts Port Authority acted similarly.

In October, 1983, the Turnpike Authority awarded a contract for the removal of three additional toll booths and the reconstruction of the Callahan Tunnel exit roadway and its connection to Route 1A and Porter Street. This work is scheduled for completion at the end of April, 1984. Included in this contract was the installation of permanent channelization islands to replace the temporary barrel channelization treatments tested at the approach area to the Callahan Tunnel. This improvement, completed in late 1983, was constructed to minimize weaving, balance tunnel lane volumes, and streamline merging — thereby increasing throughput in the Callahan Tunnel.

REPLACEMENT RESERVE PROJECTS

Heavy maintenance construction contracts having a total value of \$6.5 million were awarded in 1983 under the Replacement Reserve Program.

The major share of the Replacement Reserve Projects was devoted to bridge deck rehabilitation and reconstruction.

Bridge Repairs

Precast concrete panels were used to reconstruct the eastbound deck of the 837 foot long Turnpike bridge over the Chicopee River at the Ludlow-Wilbraham Town Line. The westbound deck of this bridge is scheduled to be replaced in the same manner in 1984.

The eastbound deck of the 760 foot long Quaboag Valley bridge was reconstructed. This bridge carries the Turnpike over the Quaboag River, Railroad, and Palmer-West Brimfield Road.

The nearby Boston Road (Route 67) bridge in Palmer was also redecked on the eastbound roadway under the same contract. Bids for deck reconstruction on the westbound roadways of these bridges are to be taken in January, 1984.

Under a contract awarded in 1982, the eastbound deck was reconstructed on the Turnpike bridge over the ramp of Interchange No. 9, in Sturbridge. The westbound deck of this structure was similarly reconstructed in the previous year of 1982.

HIGHLIGHTS 1983

REPLACEMENT RESERVE PROJECTS (CONT.)

Repairs were made to the eastbound decks of four bridges on a one-mile stretch of the Turnpike involving structures over the Railroad, in Newton, and over Brooks, Parsons and North Beacon Streets, in Boston. Prior to waterproofing and resurfacing with bituminous concrete, the deteriorated portions of the decks were replaced with methyl methacrylate (MMA) polymer concrete. The ability of this polymer material to obtain 4000 psi compressive strength in one hour's time made it possible to avoid the use of costly wrong-way traffic detours that would be needed with the conventional concrete and provided the least impact on traffic operations in this heavily travelled section of the Turnpike. The westbound decks of these bridges will be repaired in 1984 in the same manner.

Tunnels

To improve the interior finish treatment of the fifty year old Sumner Tunnel, the bench tiles on both sides of the 5657 foot tunnel length were replaced with prefabricated polymer concrete panels. By separate contract, the cement concrete ceiling was repainted with epoxy protective coating after removal of the old paint. Work on both contracts required coordination and were performed only when one of the two lanes could be closed to traffic, between midnight and 6 a.m.

In April, two toll booths at the Callahan Tunnel were removed to accommodate the one-way toll experiment. After one-way tolls were made permanent, a contract was awarded late in 1983 for the removal of three additional toll booths and reconstruction of the Callahan exit roadway. Also, islands were constructed at the entrance to the Callahan Tunnel to control vehicle weaving and merging movements and thereby improving traffic flow.

Miscellaneous

A new building with new ionics system equipment was installed at Service Area 6W, in Charlton, to replace water treatment facilities used to condition the water at the restaurant.

A standpipe for fire protection purposes was installed the length of the Prudential Passageway on the Boston Extension of the Turnpike to connect with that installed by the Copley Place development.

Toll Collection Equipment

Proposals were requested in 1983 for a new electronic computerized toll collection system for all three facilities comprising the Initial Turnpike, Boston Extension and Sumner-Callahan Tunnels. The new system will provide all toll lanes with modem toll terminals and microprocessor equipment. It is expected that an award will be made in early 1984 for the new toll system.

CAR POOLING

During 1983 there was a 9% decrease in CPID participants from 1982. Card holders in 1983 totalled 996 producing revenues of \$53,325.

Usage for participants was 653,700 trips, representing \$255,447.80 in toll revenue value. CPID participants saved \$202,102.80 for the year 1983.

SAFETY RECORD

It is with great pleasure that we announce that 1983 was the safest year in the history of the Massachusetts Turnpike.

The 1983 fatality rate was .60 and the fatal accident rate was .50 per one hundred million miles. Since the Massachusetts Turnpike has been in existence, the next best fatality rate was in 1980 with .82.

Although the fatality rate is down across the country, on the Massachusetts Turnpike the reduction is more dramatic with a 21% drop.

This outstanding performance is attributed to the strict enforcement of the 55 mph speed limit, enforcement of the trucking regulations, and the high visibility of State Police patrols. The cooperation from all departments and the maintenance of the roadway contributed greatly to this goal.

HIGHLIGHTS 1983

EMERGENCY SERVICE PATROL

For the patrons of the Massachusetts Turnpike, November marked the 15th Anniversary of the Emergency Service Patrol function. This unique concept was developed by the present Chairman of the Authority, John T. Driscoll as a public service to Turnpike patrons. Typically, on the hottest summer day or during the most severe snow storm this group of unsung Turnpike Samaritans patrol the "Highway to History" in search of disabled motorists.

With five newly purchased vehicles, radio-equipped and fully operational, the 16 member team of the Emergency Service Patrol are prepared to assist those patrons who experience vehicular problems from downtown Boston to the New York line.

Chairman Driscoll stated that "you are never alone on the Mass. Pike!" and added that the safety of all travelers is the primary concern of all Mass. Turnpike personnel. The Emergency Service Patrol is in addition to the 24 hour coverage provided by Troop 'E' of the Massachusetts

State Police and the Maintenance Weather Patrol on the Massachusetts Turnpike. Since the inception of the patrol 15 years ago an average of 30,000 motorists have been assisted each year.

The Emergency Service Patrol unit are employees of the Turnpike Authority under the direction of Captain Robert A. Morse, Commanding Officer, Troop 'E', Massachusetts State Police, with Headquarters at Weston, Mass.

The Emergency Service Patrol provides gasoline, water, changes flat tires, boost batteries or gives push starts. Additional functions include: assisting the State Police at accident scenes by providing flares to warn other motorists of a disabled vehicle as well as cleaning the debris from the accident scene; checking cone setups at construction sites; and extinguishing small grass and brush fires. The goal of the Emergency Service patrol is to provide prompt, efficient and courteous service and above all to make the Massachusetts Turnpike the safest road in the country.

PERSONNEL OVERVIEW

TOLL COLLECTIONS

The Toll Collection Division processed a record breaking 115 million vehicles on the Initial Turnpike and Boston Extension for an overall increase of 6.9% in 1983.

An increase of 7,338,000 vehicles on the Initial Turnpike was the largest one year increase in the 26 years of operations. Interchange 11A in Westboro (connector to Route 495) led all interchanges with a 17% increase over 1982.

The Toll Collection force consists of 245 regular collectors, 44 part time and 18 summer temporaries for a total of 302, 84 of these being

women. This shows an increase of 11 collectors over 1982.

An incentive program for the workaday public was installed to help speed traffic through certain interchanges during the commuter hours. One lane was dedicated at five selected interchanges for "exact change only" during the hours of 7 to 9 am and 5 to 7 pm, Monday through Friday. This proved to be highly successful and was well received by the motoring public. We have experienced an increase of as much as 40% at the heavier interchanges.

AFFIRMATIVE ACTION

Minority and female group members are represented at 16% and 21% respectively within the City of Boston work locations of the Massachusetts Turnpike Authority.

Across the entire facility, representation is 9.1% minority and 15.1% female for the period ending 12/24/83.

The labor costs of \$1,338,239 on eleven (11) replacement reserve construction contracts include \$243,075 (18.2%) paid to minority construction personnel.

Eleven minority business enterprises (MBE) shared a total of \$304,811.00 and three women business enterprises (WBE) received a total of \$43,274 for goods and services to the Authority.

The Copley Place affirmative action program during 1984 centered on the permanent jobs employment goals of 50% Boston residents, 50% female, 30% minority, and 17.2% impact area

residents for all major tenants employing seven or more persons.

The first major tenant on Copley Place, Hotel Westin, hired 723 employees in July 1983. The total included 59% minorities, 43% females, 64% Boston residents, 28% impact area residents, and 21.9% CETA eligibles.

The permanent jobs liaison committee, chaired by M. T. A. Member, Anne H. McHugh, met on a monthly basis in 1983 with representatives of U.I.D.C. Management Corporation, Neiman Marcus and the Hotel Marriott, all of whom are scheduled for occupancy in 1984.

Due to the combined efforts of the construction hiring liaison committee, chaired by Agnes T. McCann, EEOO, and Urban Development and Investment Corporation, a joint venture, Barkan and Cruz (MBE Member) were awarded the first stage of the Copley Place Housing construction contract.

CREDIT UNION

The Turnpike Credit Union has grown steadily since it was first established in February, 1974. Total assets have increased to \$1,718,676 as of December 31, 1983. At year-end, 798 Authority employees were members owning share account deposits of \$854,539, term deposits of \$100,140, and money market deposit accounts of \$365,126. Dividends paid to members increased from \$53,431 in 1982 to \$59,387 in 1983.

SERVICE AWARDS

On the night of November 10, 1983 the employees attaining *twenty-five years* of service during 1983 were honored at a dinner party at the Engineers Club in the Prudential Center. Following is a list of the employees who celebrated twenty-five years with the Massachusetts Turnpike Authority:

25 Years of Service

Charles E. Benoit
Anthony J. Cardillo
Leo R. Galarneau
Ronald E. Quinn
Agnes T. McCann
James C. Donahue
Al Robidoux
Robert M. Dwyer
Donald M. DiTomaso
Kenneth R. Gillette

20 Years of Service

David J. O'Malley
Raymond Jalbert
Roger D. Tourville
Ernest J. Quintiliani
Dominic Morabito
Minnie R. Rabinovitz
Joseph C. Mottola
Stanley J. Britton
Sam A. Picardi

15 Years of Service

George P. D. Porter
Raymond H. Charland
Thomas H. McDonough
Claire P. Moore
William J. Marot
William J. Keyes
Edmund W. Grochowski
Wendell W. Wooten
Lenore M. Thornton
Michael Giacobbi

John P. Cavanaugh
Daniel W. McLaughlin
Arthur P. Fitzpatrick
William F. Sheridan
Richard W. Hosking
Christy L. Chiriaco
Roger L. Thurber
Kenneth R. Lewis
Frank A. Sarno
Charles H. Speicher
Patrick J. Smith
James F. Tierney

RETIREES FOR 1983

Executive Office:

Paul F. May
Member

Data Processing:

Effie T. Manos
Sr. Toll Audit Clerk

Toll Collection:

Thomas J. Loughlin
Toll Collector
Joseph J. Gemelli
Toll Collector
John S. Crossette
Toll Collector

Dominic Yonika

Toll Collector

John J. Cronin

Toll Collector

Thomas L. Horseman

Toll Collector

Chuck Wong
Plaza Supervisor

Emergency Service Patrol:

Richard H. Fitzgerald
Manager of Patron Services

Engineering and Maintenance:

Donald B. Hayden

Building Mechanic Skilled

Stanley W. Miller

Janitor

Joseph J. Lynch

First Class Mechanic

Alfred J. Forni

Maintenance Man

Donald G. Gibson

Building Mechanic Skilled

Motor Pool:

Leo F. Reddish
Chauffeur

Tunnels Division:

Edward F. Marrama

Toll Collector

Joseph Mastrorio

Toll Collector

James P. Murray

Toll Collector

Arthur A. Ricupero

Maintenance Man

Francis G. Starrs

Toll Collector

Stanley G. Saulnier

Electrician

Arthur J. Dwyer

Toll Collector

DEATHS

*Nathan Heifetz

Toll Collector
1/08/83

*Harold M. Holgersen

Janitor
1/14/83

*Joseph DiGangi

Toll Collector
1/20/83

*Robert H. Tilden

Toll Collector
1/29/83

*Joseph L. Horgan

Purchasing Aide
2/17/83
C. Walter Bergstrom
Assistant Supervisor of Safety
2/19/83

*Retired

Constance H. Jackson

Toll Collector
3/09/83

*Anthony J. Hundt

Toll Collector
3/27/83

Lambert P. Anastas

Maintenance Man, Tunnels
3/30/83

*Patrick J. Brady

Toll House Porter
4/07/83

*John Hickson

Maintenance Man
4/16/83

Stanley L. McQuiggan
Supervisor of Maintenance, Tunnels
5/27/83

Frank D. Sullivan, Jr.

Toll Collector
5/27/83

*Albert A. Bausch

Toll Collector
6/03/83

James E. Langley

Toll Collector
6/06/83

*James B. Lally

Toll Collector
6/14/83

*Theodore F. Prodan

Electrician
8/13/83

*George H. Haynes

Maintenance Clerk
8/27/83

*Carmen Addonizio

Electrician
9/07/83

*Henry F. McCloskey

Maintenance Clerk
9/23/83

*Stanley S. Mason

Maintenance Foreman
9/30/83

*George J. Finn

Toll Collector
10/19/83

*Gordon C. Norman

Toll Collector
11/12/83

Dominic E. Morabito

Supervisor of Maintenance, Tunnels
12/24/83

FINANCIAL CHARTS



MASSACHUSETTS
TURNPIKE
AUTHORITY



February 23, 1984
Charles E. Di Pesa & Co.
Certified Public Accountants
Members of the Board
Massachusetts Turnpike Authority
Boston, Massachusetts 02199

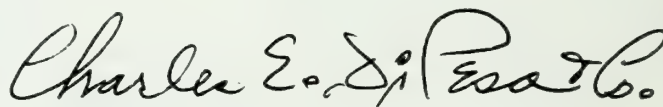
Gentlemen:

We have examined the Combined Statement of Condition of the Massachusetts Turnpike Authority as of December 31, 1983 and the related Combined Statement of Revenues and Expenses for the year ended pursuant to the Trust Agreements. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As more fully described in the footnotes, the Authority's policy is to prepare its financial statements on the basis of accounting practices prescribed by the Trust Agreements. These practices vary in some respects from generally accepted accounting principles but are in accordance with practices followed by similar entities.

In our opinion, the aforementioned financial statements present fairly the financial position of the Massachusetts Turnpike Authority as of December 31, 1983, and the revenues and expenses for the year then ended in conformity with the provisions of the Trust Agreements and is consistent with that of the preceding year. The current year's supplementary data have been subjected to the same auditing tests and procedures and, in our opinion, are stated fairly in all material respects when considered in conjunction with the financial statements taken as a whole.

Respectfully submitted,

A handwritten signature in cursive script that reads "Charles E. Di Pesa & Co." The signature is written in dark ink and is positioned above a horizontal line.

Charles E. Di Pesa & Co.
Certified Public Accountants

MASSACHUSETTS TURNPIKE AUTHORITY
COMBINED STATEMENT OF CONDITION
AS OF DECEMBER 31, 1983 and 1982



<i>Assets</i>	1983	1982
Cash	\$ 14,608,334	\$ 12,983,097
Investments	35,775,340	38,336,323
Accrued Interest on Investments	279,248	204,898
Accounts Receivable	2,149,939	1,984,262
Inventories	481,770	558,157
Deposits, Prepaid and Deferred Items	956,271	1,004,189
Escrow Funds	59,975	30,557
Investments in Annuity Contract	741,715	334,775
Cost of Initial Turnpike, Boston Extension and Callahan-Sumner Tunnels to Date	526,400,000	526,400,000
Total Assets	\$581,452,592	\$581,836,258

Liabilities and Fund Balances

Accounts Payable	\$ 512,908	\$ 632,234
Accrued Expenses and Payroll	3,373,006	2,084,606
Withholding from Employees	28,009	28,712
Deposits and Deferred Income	371,697	314,948
Bond Interest-Unpaid Coupons	22,991	23,008
Deferred Compensation	741,715	334,775
Split Funding-Premium Deposit Reserve	197,534	95,427
Retainage	708,068	744,488
Revenue Bonds Outstanding (Schedule A)	234,468,000	267,895,000
Bond Indebtedness Retired from Revenues (Schedule A)	291,932,000	258,505,000
Fund Balances	49,096,664	51,178,060
Total Liabilities and Fund Balances	\$581,452,592	\$581,836,258

The Accompanying Footnotes are an Integral Part of these Combined Statements

MASSACHUSETTS TURNPIKE AUTHORITY
COMBINED STATEMENT OF REVENUES AND EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 1983 and 1982



<i>Revenues</i>	1983	1982
Toll Revenue (Net)	\$ 78,323,442	\$73,378,134
Restaurant Revenue	1,079,739	1,018,364
Service Station Revenue	1,320,833	1,248,261
Rental Income	1,481,553	1,435,728
Miscellaneous	519,562	406,283
Income from Investments:		
Redemption Account	336,931	6,451
Revenue Fund	365,199	444,189
Replacement Reserve Fund	1,203,388	1,281,074
Bond Interest Account	400,004	651,824
Reserve Account	2,693,962	2,677,686
Total Revenues	\$ 87,724,613	\$82,547,994

Operating Expenses

Administrative	\$ 5,331,084	\$ 4,138,126
Retirement	2,514,277	2,733,350
Toll Collection	9,041,854	8,597,472
Police Patrol	2,587,722	2,550,288
Maintenance of Highway, Buildings, Tunnels and Equipment	13,203,833	12,401,852
Total Operating Expenses	\$ 32,678,770	\$30,421,088
<i>Excess of Revenues Over Operating Expenses</i>	\$ 55,045,843	\$52,126,906
<i>Interest Requirements</i>	\$ 11,283,256	\$12,144,622

COMBINED ANALYSIS OF FUND BALANCES
FOR THE YEARS DECEMBER 31, 1983 and 1982

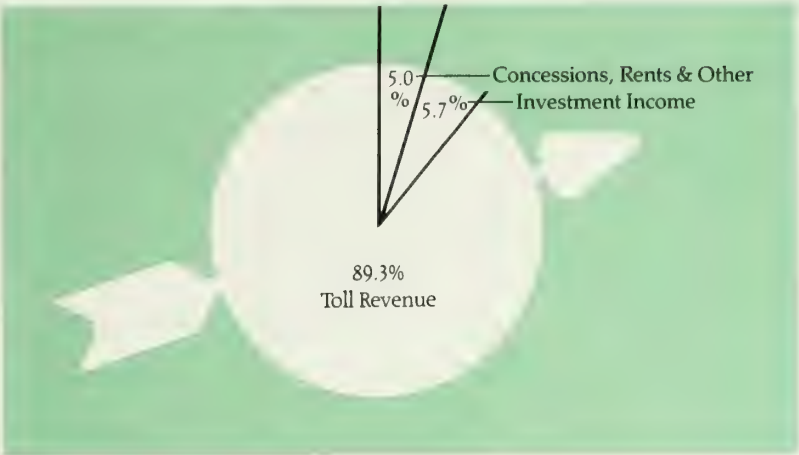
	1983	1982
<i>Balances - beginning of year</i>	\$ 51,178,060	\$45,323,035
Excess of Revenues Over Operating Expenses for the Years Ended December 31, 1983 and 1982	55,045,843	52,126,906
Totals	\$106,223,903	\$97,449,941

Disbursements

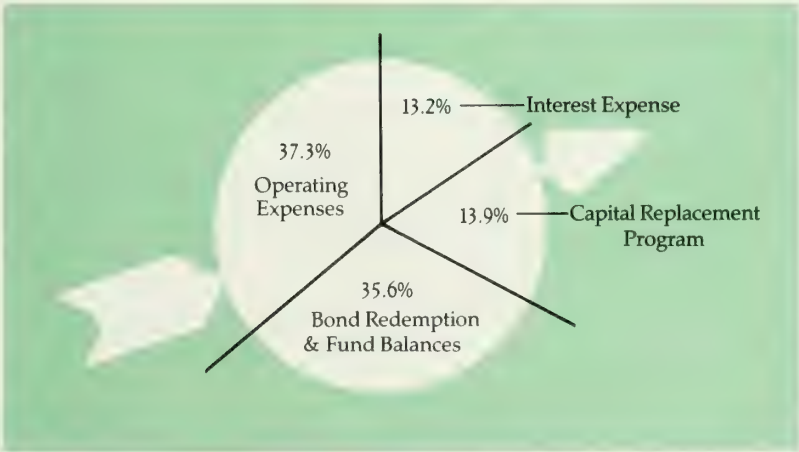
Redemption of Bonds	\$ 33,528,424	\$22,923,899
Payment of Bond Interest		
Interest Dates	11,389,170	12,100,215
Retirement Dates	216,692	225,302
Replacement Reserve Expenditures	11,812,181	11,022,465
Bond Call Expenditures	180,772	
Total Disbursements	\$ 57,127,239	\$46,271,881
<i>Balances - end of year</i>	\$ 49,096,664	\$51,178,060

The Accompanying Footnotes are an Integral Part of these Combined Statements

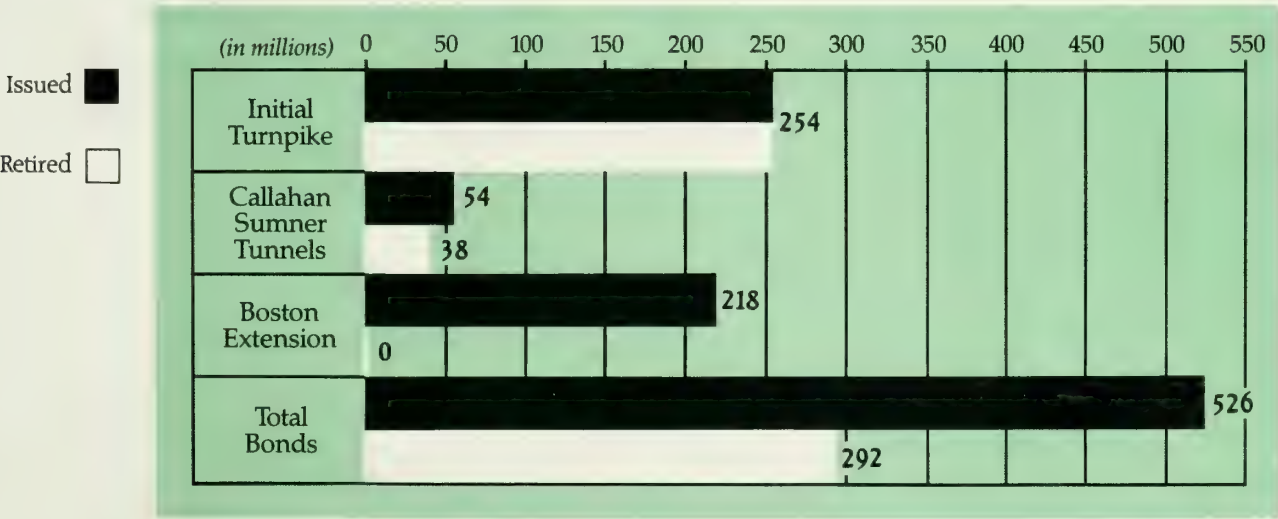
MASSACHUSETTS TURNPIKE AUTHORITY
1983 COMBINED GROSS REVENUES



1983 DISPOSITION OF COMBINED REVENUES



1983 TOTAL BONDS ISSUED AND RETIRED



MASSACHUSETTS TURNPIKE AUTHORITY
INITIAL TURNPIKE
STATEMENT OF CONDITION
AS OF DECEMBER 31, 1983 and 1982



<i>Assets</i>	1983	1982
Cash	\$ 3,529,332	\$ 5,106,237
Investments	10,458,419	11,271,479
Accrued Interest on Investments	116	9,684
Accounts Receivable	1,567,022	1,384,885
Inventories	438,875	512,439
Deposits, Prepaid and Deferred Items	437,924	366,145
Escrow Funds	59,975	30,557
Investments in Annuity Contract	741,715	334,775
Due from Other Funds	123,525	148,597
Cost of Turnpike to Date	254,000,000	254,000,000
Total Assets	\$271,356,903	\$273,164,798

Liabilities and Fund Balances

Accounts Payable	\$ 408,298	\$ 436,002
Accrued Expenses and Payroll	2,000,415	898,615
Withholding from Employees	28,009	28,712
Deposits and Deferred Income	174,278	146,590
Bond Interest-Unpaid Coupons	17,655	17,672
Deferred Compensation	741,715	334,775
Due to Other Funds	146,903	116,238
Retainage	471,260	579,381
Split Funding-Premium Deposit Reserve	197,534	95,427
Turnpike Revenue Bonds:		
1954 Series - 3.3% - 239M		
Dated May 1, 1954		
Due May 1, 1994		
Bonds Outstanding		24,202,000
Bonds Purchased and Retired	239,000,000	214,798,000
1968 Series - 5 1/4% - 15M		
Dated November 1, 1968		
Due May 1, 2008		
Bonds Outstanding		6,130,000
Bonds Purchased and Retired	15,000,000	8,870,000
Fund Balances	13,170,836	16,511,386
Total Liabilities and Fund Balances	\$271,356,903	\$273,164,798

The Accompanying Footnotes are an Integral Part of these Combined Statements

MASSACHUSETTS TURNPIKE AUTHORITY
INITIAL TURNPIKE
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 1983 and 1982



<i>Revenues</i>	1983	1982
Toll Revenue (Net)	\$46,158,294	\$42,832,762
Restaurant Revenue	1,079,739	1,018,364
Service Station Revenue	1,320,833	1,248,261
Miscellaneous	491,976	370,382
Income from Investments:		
Redemption Account	336,931	6,451
Revenue Fund	289,282	349,612
Replacement Reserve Fund	759,860	798,332
Bond Interest Account	40,946	109,492
Reserve Account	151,759	349,870
Total Revenues	\$50,629,620	\$47,083,526
<hr/>		
<i>Operating Expenses</i>		
Administrative	\$ 3,746,433	\$ 2,754,387
Retirement	1,436,999	1,472,139
Toll Collection	5,448,098	5,157,348
Police Patrol	2,170,784	2,220,735
Engineering and Maintenance	9,419,380	8,843,865
Total Operating Expenses	\$22,221,694	\$20,448,474
Excess of Revenues Over Operating Expenses	\$28,407,926	\$26,635,052
Interest Requirements	\$886,435	\$ 1,638,942
Percentage of Interest Earned	3,204.74	1625.14

The Accompanying Footnotes are an Integral Part of these Combined Statements

MASSACHUSETTS TURNPIKE AUTHORITY
INITIAL TURNPIKE
ANALYSIS OF FUND BALANCES
FOR THE YEARS ENDED DECEMBER 31, 1983 and 1982



	1983	1982
<i>Balances – beginning of year</i>	\$16,511,386	\$14,216,609
Excess of Revenues Over Operating Expenses for the Years Ended December 31, 1983 and 1982	28,407,926	26,635,052
Transfers		
Excess Revenue Transferred from Boston Extension to Bond Redemption	7,469,411	7,434,831
Totals	\$52,388,723	\$48,286,492

Disbursements

Redemption of Bonds	\$ 30,592,829	\$ 21,568,408
Payment of Bond Interest		
Interest Dates	990,259	1,593,264
Retirement Dates	175,704	204,804
Replacement Reserve Expenditures	7,278,323	8,408,630
Bond Call Expenditures	180,772	
Total Disbursements	\$ 39,217,887	\$31,775,106
<i>Balances – end of year</i>	\$13,170,836	\$16,511,386

The Accompanying Footnotes are an Integral Part of these Combined Statements

MASSACHUSETTS TURNPIKE AUTHORITY
CALLAHAN-SUMNER TUNNELS
STATEMENT OF CONDITION
FOR THE YEARS ENDED DECEMBER 31, 1983 and 1982



Assets	1983	1982
Cash	\$ 1,738,330	\$ 867,969
Investments	4,738,797	6,785,507
Accrued Interest on Investments	67,061	35,713
Accounts Receivable	72,060	65,314
Inventories	2,641	2,640
Deposits, Prepaid and Deferred Items	393,957	534,907
Due from Other Funds	49,783	16,358
Cost of Tunnel to Date	54,400,000	54,400,000
Total Assets	\$61,462,629	\$62,708,408

Liabilities and Fund Balances

Accounts Payable	\$ 60,178	\$ 22,454
Accrued Expenses and Payroll	666,670	439,560
Deposits and Deferred Income	106,924	80,582
Bond Interest-Unpaid Coupons	1,829	1,829
Due to Other Funds	46,893	13,053
Retainage	95,531	13,357
Tunnel Revenue Bonds:		
1959 Series - 54.4M		
Dated April 1, 1959		
Due April 1, 1999		
Bonds Outstanding		
4 ³ / ₄ %	16,468,000	19,174,000
4 ¹ / ₄ %		389,000
Bonds Purchased and Retired - 4 ³ / ₄ %	36,332,000	33,626,000
Bonds Purchased and Retired - 4 ¹ / ₄ %	1,600,000	1,211,000
Fund Balances	6,084,604	7,737,573
Total Liabilities and Fund Balances	\$61,462,629	\$62,708,408

The Accompanying Footnotes are an Integral Part of these Combined Statements

MASSACHUSETTS TURNPIKE AUTHORITY
CALLAHAN-SUMNER TUNNELS
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 1983 and 1982



<i>Revenues</i>	1983	1982
Toll Revenue (Net)	\$ 8,566,344	\$ 8,293,772
Rental Income	72,440	77,923
Miscellaneous	452	5,000
Income from Investments:		
Revenue Fund	34,340	41,264
Replacement Reserve Fund	202,006	221,314
Bond Interest Account	36,491	60,409
Reserve Account	480,843	464,824
Total Revenues	\$ 9,392,916	\$ 9,164,506
<hr/>		
<i>Operating Expenses</i>		
Administrative	\$ 685,299	\$ 573,074
Retirement	566,022	524,274
Toll Collection	1,620,071	1,642,812
Police Patrol	116,560	109,128
Maintenance and Operation of Tunnels	1,707,526	1,736,375
Total Operating Expenses	\$ 4,695,478	\$ 4,585,663
<i>Excess of Revenues Over Operating Expenses</i>	\$ 4,697,438	\$ 4,578,843
<i>Interest Requirements</i>	\$ 869,821	\$ 978,680
<i>Percentage of Interest Earned</i>	540.05	467.86

CALLAHAN-SUMNER TUNNELS
ANALYSIS OF FUND BALANCES
FOR THE YEARS DECEMBER 31, 1983 and 1982

	1983	1982
<i>Balances - beginning of year</i>	\$ 7,737,573	\$ 6,098,770
Excess of Revenues Over Operating Expenses for the Years Ended December 31, 1983 and 1982	4,697,438	4,578,843
Totals	\$12,435,011	\$10,677,613

Disbursements

Redemption of Bonds	\$ 2,935,595	\$ 1,355,491
Payment of Bond Interest		
Interest Dates	871,911	979,951
Retirement Dates	40,988	20,498
Replacement Reserve Expenditures	2,501,913	584,100
Total Disbursements	\$ 6,350,407	\$ 2,940,040
<i>Balances - end of year</i>	\$ 6,084,604	\$ 7,737,573

The Accompanying Footnotes are an Integral Part of these Combined Statements

MASSACHUSETTS TURNPIKE AUTHORITY
BOSTON EXTENSION
STATEMENT OF CONDITION
AS OF DECEMBER 31, 1983 and 1982



<i>Assets</i>	1983	1982
Cash	\$ 9,340,672	\$ 7,008,891
Investments	20,578,124	20,279,337
Accrued Interest on Investments	212,071	159,501
Accounts Receivable	510,857	534,063
Inventories	40,254	43,078
Deposits, Prepaid and Deferred Items	124,390	103,137
Due from Other Funds	185,635	56,904
Cost of Boston Extension to Date	218,000,000	218,000,000
Total Assets	\$248,992,003	\$246,184,911
<hr/>		
<i>Liabilities and Fund Balances</i>		
Accounts Payable	\$ 44,432	\$ 173,778
Accrued Expenses and Payroll	705,921	746,431
Deposits and Deferred Income	90,495	87,776
Bond Interest-Unpaid Coupons	3,507	3,507
Due to Other Funds	165,147	92,568
Retainage	141,277	151,750
Boston Extension Revenue Bonds:		
1962 Series - 218M Dated January 1962		
Due January 1, 2002		
Bonds Outstanding		
Series A - 4 ³ / ₄ %	100,000,000	100,000,000
Series A - 4.15%	38,000,000	38,000,000
Series B - 4.5%	80,000,000	80,000,000
Fund Balances	29,841,224	26,929,101
Total Liabilities and Fund Balances	\$248,992,003	\$246,184,911

The Accompanying Footnotes are an Integral Part of these Combined Statements

MASSACHUSETTS TURNPIKE AUTHORITY
BOSTON EXTENSION
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 1983 and 1982



<i>Revenues</i>	1983	1982
Toll Revenue (Net)	\$23,598,804	\$22,251,600
Rental Income	1,409,113	1,357,805
Miscellaneous	27,134	30,901
Income from Investments:		
Revenue Fund	41,577	53,313
Replacement Reserve Fund	241,522	261,428
Bond Interest Account	322,567	481,923
Reserve Account	2,061,360	1,862,992
Total Revenues	\$27,702,077	\$26,299,962

Operating Expenses

Administrative	\$ 899,352	\$ 810,665
Retirement	511,256	736,937
Toll Collection	1,973,685	1,797,312
Police Patrol	300,378	220,425
Maintenance of Highway, Buildings and Equipment	2,076,927	1,821,612
Total Operating Expenses	\$ 5,761,598	\$ 5,386,951
Excess of Revenues Over Operating Expenses	\$21,940,479	\$20,913,011
Interest Requirements	\$ 9,527,000	\$ 9,527,000
Percentage of Interest Earned	230.30	219.51

BOSTON EXTENSION
ANALYSIS OF FUND BALANCES
FOR THE YEARS ENDED DECEMBER 31, 1983 and 1982

	1983	1982
<i>Balances - beginning of year</i>	\$26,929,101	\$25,007,656
Excess of Revenues Over Operating Expenses for the Years Ended December 31, 1983 and 1982	21,940,479	20,913,011
Totals	\$48,869,580	\$45,920,667

Disbursements

Payment of Bond Interest	\$ 9,527,000	\$ 9,527,000
Replacement Reserve Expenditures	2,031,945	2,029,735
Transfers		
Excess Revenue Transferred to Initial Turnpike for Bond Redemption	7,469,411	7,434,831
Total Disbursements	\$19,028,356	\$18,991,566
Balances - end of year	\$29,841,224	\$26,929,101

The Accompanying Footnotes are an Integral Part of these Combined Statements

MASSACHUSETTS TURNPIKE AUTHORITY
COMBINED BOND INDEBTEDNESS
BONDS OUTSTANDING AND RETIRED FROM REVENUES
AS OF DECEMBER 1983 and 1982



Schedule A (With Comparative Figures for 1982)

	Original Amount Authorized and Issued	Acquired and Cancelled in Prior Years	Amount Outstanding 12/31/82	Revenue Bond Debt Cancelled in 1983	Amount Outstanding 12/31/83
Initial Turnpike Revenue Bond					
Series 1954 - 3.30%					
Dated May 1, 1954					
Due May 1, 1994	\$239,000,000	\$214,798,000	\$ 24,202,000	\$24,202,000	
Series 1968 - 5 1/4%					
Dated November 1, 1968					
Due May 1, 2008	15,000,000	8,870,000	6,130,000	6,130,000	
	\$254,000,000	\$223,668,000	\$ 30,332,000	\$30,332,000	
Boston Extension Revenue Bond					
Series 1962					
Dated January 1, 1962					
Due January 1, 2002					
Series A - 4 3/4%	\$100,000,000		\$100,000,000		\$100,000,000
Series A - 4.15%	38,000,000		38,000,000		38,000,000
Series B - 4.5%	80,000,000		80,000,000		80,000,000
	\$218,000,000		\$218,000,000		\$218,000,000
Callahan-Sumner Tunnels Revenue Bond					
Series 1959					
Dated April 1, 1959					
Due April 1, 1999					
4 3/4%	\$ 52,800,000	\$ 33,626,000	\$ 19,174,000	\$ 2,706,000	\$ 16,468,000
4 1/4%	1,600,000	1,211,000	389,000	389,000	
	\$ 54,400,000	\$ 34,837,000	\$ 19,563,000	\$ 3,095,000	\$ 16,468,000
Total Bonds	\$526,400,000	\$258,505,000	\$267,895,000	\$33,427,000	\$234,468,000

The Accompanying Footnotes are an Integral Part of these Combined Statements

MASSACHUSETTS TURNPIKE AUTHORITY
COMBINED REVENUES, OPERATING EXPENSES
AND BOND INTEREST REQUIREMENTS
FOR THE YEARS ENDED DECEMBER 31, 1983 and 1982



Revenues, Operating Expenses, and Net Revenues

	Gross Revenues		Operating Expenses		Net Revenues	
	1983	1982	1983	1982	1983	1982
Initial Turnpike	\$50,629,620	\$47,083,526	\$22,221,694	\$20,448,474	\$28,407,926	\$26,635,052
Callahan-Sumner Tunnels	9,392,916	9,164,506	4,695,478	4,585,663	4,697,438	4,578,843
Boston Extension	27,702,077	26,299,962	5,761,598	5,386,951	21,940,479	20,913,011
Totals	\$87,724,613	\$82,547,994	\$32,678,770	\$30,421,088	\$55,045,843	\$52,126,906

	Net Revenues		Interest Requirements		Percentage of Interest Earned	
	1983	1982	1983	1982	1983	1982
Initial Turnpike	\$28,407,926	\$26,635,052	\$ 886,435	\$ 1,638,942	3204.74	1625.14
Callahan-Sumner Tunnels	4,697,438	4,578,843	869,821	978,680	540.05	467.86
Boston Extension	21,940,479	20,913,011	9,527,000	9,527,000	230.30	219.51
Totals	\$55,045,843	\$52,126,906	\$11,283,256	\$12,144,622	487.85	429.22

The Accompanying Footnotes are an Integral Part of these Combined Statements

FINANCIAL FOOTNOTES

FOOTNOTE A - GENERAL

In fiscal year 1983 the Authority operated as three separate and financially distinct facilities, i.e., the Initial Turnpike, the Callahan-Sumner Tunnels, and the Boston Extension of the Massachusetts Turnpike. These facilities were financed by means of revenue bond issues totaling \$526,400,000. Neither the faith and credit nor the taxing power of the Commonwealth of Massachusetts or of any political subdivision thereof was pledged to the payment of the principal or interest on the bonds. The funds providing for the maintenance, operation and policing of these facilities, as well as principal and interest payments on the bond issues, were derived solely from tolls and other revenues generated by users.

FOOTNOTE B - THE ENABLING ACT

By Chapter 354 of the Acts of 1952 of the Commonwealth of Massachusetts, the Massachusetts Turnpike Authority was duly created a body politic and corporate and a public instrumentality of the Commonwealth of Massachusetts and was authorized and empowered to construct, maintain, repair and operate a toll express highway, known as the "Massachusetts Turnpike." Chapter 598 of the Acts of 1958 authorized and empowered the Massachusetts Turnpike Authority to acquire from the city of Boston the Sumner Tunnel and to construct and operate an additional vehicular tunnel between Boston proper and East Boston (known as the Callahan Tunnel).

FOOTNOTE C - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. General Accounting Practices

All accounts and records of the Authority are maintained in accordance with accounting practices consistent with the provisions of the following trust agreements: - The Trust Agreement dated as of May 1, 1954, relating to the Initial Turnpike; Trust Agreement dated as of April 1, 1959, relating to the Tunnel Revenue Bonds; and the Supplemental Trust Agreement dated as of January 1, 1962, relating to the Boston Extension. As a result of the terms of the bond resolutions and the related interpretation thereof, the Authority's accounting practices differ in certain respects from generally accepted accounting principles but are in accordance with accounting practices followed by similar entities.

2. Combined Financial Statements

In addition to the financial statements which are required to be presented annually for each of the three financially distinct facilities and bond issues secured by the foregoing trust agreement, the Authority, as a matter of policy and public information, also presents in its Annual Report financial statements reflecting the combined financial condition of the Initial Turnpike, Callahan-Sumner Tunnels, and Boston Extension.

3. The Fiscal Year

The Authority's fiscal year is the calendar year.

FINANCIAL FOOTNOTES

FOOTNOTE C - CONT.

4. Method of Accounting

The funds and accounts of the Authority are maintained on the accrual basis except for payments of bond interest which are paid out of the Sinking Fund Bond Interest Account on the cash basis.

5. Inventories

Inventories consist primarily of sodium chloride, calcium chloride, sand, bulk gasoline, and highway guardrail. Inventories are valued at cost utilizing the FIFO method.

6. Cost of Projects

The cost of Authority projects includes all costs for acquisition and construction, legal expenses and fees, financing charges, preparation and issuance of bonds, and all other items of expense defined and authorized in the trust agreements.

7. Revenues

All monies received by the Authority are deposited with The First National Bank of Boston, Trustee, or other bank depositories, and are held in trust and applied only in accordance with the provisions of the trust agreements. All monies deposited with the Trustee, or any other depository, are continuously secured for the benefit of the Authority and bondholders by marketable securities eligible as security for the deposit of trust funds and are approved and held by The First National Bank of Boston, Trustee. On or before the fifteenth day of each month, all monies held for the credit of the revenue funds on the last day of the preceding month, less an amount held for reserve for current expenses, are transferred by the Trustee and credited to the following accounts or funds:

a.) To the Sinking Fund Bond Interest Accounts, such amounts, if any, as may be required to make the balances therein equal to the amount of interest which will become payable within the next ensuing six months on all bonds then outstanding.

b.) To the Replacement Reserve Funds, such amounts, if any, as may be required to make the amount deposited in each fiscal year equal to the amounts recommended by the Consulting Engineers:

c.) To the Sinking Fund Reserve Accounts, such amounts, if any, as may be required to make the amount equal to the interest reserve requirements specified in the trust agreements;

d.) In the case of the Initial Turnpike and the Callahan-Sumner Tunnels, to the Redemption Accounts, the balance, if any, remaining after making deposits under clauses, a, b, and c above; and in the case of the Boston Extension, to the Redemption Account in the Initial Turnpike Sinking Fund, the balance, if any, remaining after making the deposits as specified in the aforementioned clauses a, b, and c.

8. Operating Expenses

The Term "current expenses" (operating expense) as defined in the trust agreements excludes any extraordinary maintenance, repairs, or allowance for depreciation. The agreements provide that the Authority will on or before the first day of each fiscal year adopt annual budgets. The annual budgets of operating expenses for 1983 for the three facilities totaled \$32,844,000 as compared to actual expenses of \$32,678,770.

a.) Retirement System - By the enactment of Chapter 597 of the Acts of 1967, and acceptance thereof by the Authority, the Commonwealth of Massachusetts created the Massachusetts Turnpike Authority Employees' Retirement System. Accordingly, effective July 1, 1968, employees of the Authority are entitled to retirement benefits in accordance with the provisions of the Massachusetts Contributory Retirement Law (Chapter 32 of the General Laws, Sections 1-28). Pursuant to Section 22 (7) (e) of Chapter 32, the Authority is required to pay annually to the Massachusetts Turnpike Authority Employees' Retirement System, amounts certified by the State Actuary as necessary for payment of pension benefits to retired employees of the Authority and their beneficiaries and for the expenses of said system.

As of January 1, 1983 the Authority's actuarial consultant estimated the unfunded frozen actuarial liability for the three entities to be \$25,846,300. By the enactment of Chapter 566 of the Acts of 1978, amending Chapter 32 of the General Laws, provision was made for the funding of the Retirement System of the Massachusetts Turnpike Authority. Under this Amendment, the Authority is required to fund the sum of (a) the normal pension cost for the current year, and (b) an amount sufficient to amortize unfunded past service liability prior to dissolution of the Authority.

FINANCIAL FOOTNOTES

FOOTNOTE C - CONT.

8. Operating Expenses Cont.

Pursuant to Chapter 597 of the Acts of 1967 and Chapter 566 of the Acts of 1968, during fiscal year 1983, \$1,742,195 was expensed to the Retirement System for the Pension and Expense Funds, and \$580,000 for past service liability.

9. Replacement Reserve Funds

These funds are held for the purpose of paying for the cost of resurfacing, replacement or reconstruction, usual or extraordinary maintenance or repairs, renewals and replacements, the cost of replacing equipment, engineering expenses and premiums on insurance carried under the provisions of the trust agreements. As provided in the trust agreements, the Consulting Engineers are required annually to inspect the Authority's facilities and report to the Authority their findings and recommendations as to: a) estimate of the amount necessary for proper maintenance, repair and operation during the ensuing fiscal year, b) insurance to be carried under the provisions of the trust agreements, and c) amounts to be deposited during the ensuing fiscal year to the credit of the replacement reserve funds. For fiscal year 1983, the Consulting Engineers recommended the following amounts be deposited to the three replacement funds, and such amounts were so deposited: Initial Turnpike, \$9,000,000 (\$8,800,000 net), Callahan-Sumner Tunnels \$900,000, and the Boston Extension, \$2,500,000.

The estimated value of contracts outstanding as of December 31, 1983 for major repairs, renewals, and replacement programs is \$1,443,398.

FOOTNOTE D - SINKING FUND AND NET REVENUE REQUIREMENTS

The trust agreements require the Authority to take certain actions in the event the amounts deposited to the sinking funds, or net revenues in the case of the Boston Extension, are less than those referred to in Section 501 of the trust agreements. In 1983 the net revenues of the Boston Extension, were less than those referred to in the supplemental trust agreement.

The Authority is therefore required to request the Traffic Engineers to submit their recommendation with respect to a revision in the schedule of tolls, and the Trustee is required to notify the principal underwriters and bondholders of record of these deficiencies. The Authority and the Trustee have fulfilled their respective obligations under the terms of the trust agreements and the Traffic Engineers have been so notified to submit their recommendations.

FINANCIAL FOOTNOTES

FOOTNOTE E - LEASE AND INSTALLMENT PURCHASE COMMITMENTS

The Authority has entered into the following lease and installment purchase agreements which are in full force and effect as of December 31, 1983.

1. Rental of Administrative Offices in the city of Boston for the five year period terminating July 31, 1986.

2. Installment purchases for data processing equipment - During 1976 and 1978, the Authority executed amendments to the original 1971 agreement providing for certain enhancements and additions to the existing Burroughs data processing equipment, with payments amortized over the respective seven year periods. Additionally, on December 23, 1982, the Authority entered into a five year lease purchase agreement to acquire a Sperry Univac System 80 Computer System.

3. Lease agreement providing for the rental of automatic toll collection equipment located at the Boston Extension and Callahan-Sumner Tunnels - The original lease agreements have been extended for a period terminating February 28, 1986 for the Boston Extension, and May 21, 1984 for the Callahan-Sumner Tunnels.

On January 31, 1980, the Urban Investment and Development Company entered into an amended lease with the Authority for ninety-nine years for the air rights over property located in the Copley Square area of Boston. The Company is constructing on the site two hotels, retail offices, and a residential complex. Construction of the project commenced November 1980. The amended lease provides for revised rental payments of \$1,200,000 annually beginning with the commencement of construction and continuing through February 15, 2002. After dissolution of the Authority any subsequent lease payments will revert to the Commonwealth of Massachusetts.

FOOTNOTE F - DEFEASANCE OF INITIAL TURNPIKE TRUST AGREEMENT

Pursuant to and in accordance with Section 1201 of the Trust Agreement dated as of May 1, 1954, and Section 101 of the Supplemental Trust Agreement, dated as of January 1, 1962. The First National Bank of Boston, Trustee, on December 31, 1983, held sufficient monies in trust for payment of principal, premiums and interest on all remaining outstanding Initial Turnpike Revenue Bonds.

Also, pursuant to and in accordance with Section 1201 of the 1954 Trust Agreement, The Massachusetts Turnpike Authority issued irrevocable instructions to the Trustee to call all remaining Initial Turnpike Revenue Bonds Series 1954 (3.30%) and Series 1968 (5.25%) secured by said trust agreement, effective January 31, 1984.

Having complied with the provisions of Section 1201 of the trust agreement and Section 103 of the supplemental trust agreement, The First National Bank of Boston, Trustee released the 1954 Trust Agreement effective December 31, 1983.

FOOTNOTE G - MASSACHUSETTS TURNPIKE

Pursuant to Sections 103 and 515 of the supplemental trust agreement, after the aforementioned release of the Trust Agreement dated as of May 1, 1954, effective January 1, 1984 the Boston Extension and the Initial Turnpike will be maintained, repaired and operated by the Authority as a single Turnpike project, known as the Massachusetts Turnpike.

FOOTNOTE H - LITIGATION

The Authority is contingently liable under pending litigation and/or claims in which the Authority is the defendant. In the opinion of the Authority, the total potential liability of such actions would not materially affect its financial statements.

MASSACHUSETTS TURNPIKE AUTHORITY
INITIAL TURNPIKE
FINANCIAL RESULTS OF OPERATION 1977-1983



	1977	1978	1979	1980	1981	1982	1983
<i>(Dollars in Thousands)</i>							
Gross Toll Revenue	\$ 29,355	\$ 31,129	\$ 31,100	\$ 39,053	\$ 41,482	\$ 43,300	\$ 46,648
Less Volume Discounts	(325)	(351)	(381)	(475)	(488)	(467)	(490)
Net Toll Revenue	\$ 29,030	\$ 30,778	\$ 30,719	\$ 38,578	\$ 40,994	\$ 42,833	\$ 46,158
Restaurant Revenue	807	863	870	925	963	1,018	1,080
Service Station Revenue	1,665	1,726	1,873	1,670	1,347	1,248	1,321
Miscellaneous	182	165	201	223	251	370	491
Income from Investments	1,194	1,429	1,658	1,756	2,223	1,614	1,579
Gross Revenues	\$ 32,878	\$ 34,961	\$ 35,321	\$ 43,152	\$ 45,778	\$ 47,083	\$ 50,629
Operating Expenses	\$ 12,118	\$ 13,247	\$ 14,387	\$ 16,240	\$ 18,224	\$ 20,448	\$ 22,221
Net Revenues	\$ 20,760	\$ 21,714	\$ 20,934	\$ 26,912	\$ 27,554	\$ 26,635	\$ 28,408
Bond Interest	\$ 4,664	\$ 4,264	\$ 3,845	\$ 3,333	\$ 2,484	\$ 1,639	\$ 886
Per Cent of Interest Earned	445.07	509.25	544.45	807.42	1109.04	1625.14	3204.74
Deposits to Replacement Reserve	\$ 6,000	\$ 6,500	\$ 7,000	\$ 8,000	\$ 6,500	\$ 9,500	\$ 9,000
\$254,000,000 Revenue Bonds							
Retired During Year	\$ 11,375	\$ 12,651	\$ 11,804	\$ 22,219	\$ 28,429	\$ 21,682	\$ 30,332
Average Price Paid	\$ 91.82	\$ 92.44	\$ 86.35	\$ 91.03	\$ 94.77	\$ 99.48	\$ 100.86
Retired to Date	\$126,883	\$139,534	\$151,338	\$173,557	\$201,986	\$223,668	\$254,000
Per Cent Retired to Date	50.0	54.9	59.6	68.3	79.5	88.1	100
Bonds Outstanding	\$127,117	\$114,466	\$102,662	\$ 80,443	\$ 52,014	\$ 30,332	-0-

MASSACHUSETTS TURNPIKE AUTHORITY
BOSTON EXTENSION
FINANCIAL RESULTS OF OPERATION 1977-1983



	1977	1978	1979	1980	1981	1982	1983
<i>(Dollars in Thousands)</i>							
Net Toll Revenue	\$14,575	\$15,339	\$15,835	\$19,893	\$21,225	\$22,252	\$23,599
Rental & Miscellaneous Income	217	188	315	351	1,356	1,388	1,436
Income from Investments	1,016	1,119	1,508	1,728	2,409	2,660	2,667
Gross Revenues	\$15,808	\$16,646	\$17,658	\$21,972	\$24,990	\$26,300	\$27,702
Operating Expenses	\$ 3,239	\$ 3,500	\$ 3,779	\$ 4,256	\$ 4,753	\$ 5,387	\$ 5,762
Net Revenues	\$12,569	\$13,146	\$13,878	\$17,716	\$20,237	\$20,913	\$21,940
Bond Interest	\$ 9,527	\$ 9,527	\$ 9,527	\$ 9,527	\$ 9,527	\$ 9,527	\$ 9,527
Per Cent of Interest Earned	131.93	137.99	145.67	185.96	212.42	219.51	230.30
Deposits to Replacement Reserve	\$ 1,500	\$ 1,800	\$ 2,300	\$ 1,500	\$ 2,000	\$ 2,000	\$ 2,500
Balance in General Reserve	\$11,912	\$12,729	\$13,810	\$15,021	\$16,549	\$18,412	\$20,474
Transfer to Initial Turnpike	\$ 585	\$ 819	\$ 635	\$ 4,822	\$ 6,656	\$ 7,435	\$ 7,469

CALLAHAN-SUMNER TUNNELS
FINANCIAL RESULTS OF OPERATION 1977-1983

	1977	1978	1979	1980	1981	1982	1983
<i>(Dollars in Thousands)</i>							
Net Toll Revenue	\$ 6,343	\$ 6,575	\$ 7,044	\$ 7,894	\$ 8,215	\$ 8,293	\$ 8,566
Rental & Miscellaneous Income	98	61	66	61	81	83	73
Income from Investments	326	331	481	510	650	788	754
Gross Revenues	\$ 6,767	\$ 6,967	\$ 7,591	\$ 8,465	\$ 8,946	\$ 9,164	\$ 9,393
Operating Expenses	\$ 2,800	\$ 2,961	\$ 3,037	\$ 3,573	\$ 4,056	\$ 4,586	\$ 4,695
Net Revenues	\$ 3,967	\$ 4,006	\$ 4,554	\$ 4,892	\$ 4,890	\$ 4,579	\$ 4,698
Bond Interest	\$ 1,622	\$ 1,524	\$ 1,407	\$ 1,270	\$ 1,102	\$ 979	\$ 870
Per Cent of Interest Earned	244.52	262.83	323.70	385.27	443.91	467.86	540.05
Deposits to Replacement Reserve	\$ 300	\$ 400	\$ 500	\$ 600	\$ 500	\$ 2,000	\$ 900
\$54,000,000 Revenue Bonds							
Retired During Year	\$ 2,033	\$ 2,288	\$ 2,570	\$ 3,517	\$ 3,748	\$ 1,529	\$ 3,095
Average Price Paid	\$ 94.43	\$ 94.19	\$ 92.95	\$ 83.44	\$ 83.99	\$ 88.65	\$ 95.37
Retired to Date	\$21,185	\$23,473	\$26,043	\$29,560	\$33,308	\$34,837	\$37,932
Per Cent Retired to Date	38.9	43.1	47.9	54.3	61.2	64.0	70.0
Bonds Outstanding	\$33,215	\$30,927	\$28,357	\$24,840	\$21,092	\$19,563	\$16,468

MASSACHUSETTS TURNPIKE AUTHORITY
CLASS COMPARISON - INITIAL TURNPIKE
JANUARY-DECEMBER 1983 VS JANUARY-DECEMBER 1982



Class Description	Transactions		Increase or (Decrease)	%	Revenue		Increase or (Decrease)	%
	1983	1982			1983	1982		
1. Passenger Vehicle or Light Truck (Taxis, Suburbans, Ambulances, Motorcycles, Hearses, Car Pools)	43,974,941	40,807,925	3,167,016	7.8	\$32,108,691	\$30,017,737	\$2,090,954	7.0
2. Passenger Vehicle or Light Truck with One or Two Axle Trailers	255,060	240,420	14,640	6.1	354,680	335,265	19,415	5.8
3. Trucks - Five or More Axles	2,572,108	2,280,248	291,860	12.8	8,676,034	7,765,017	911,017	11.7
5. Medium Trucks - Dual Tires with Two Axles	1,029,605	957,692	71,913	7.5	1,394,500	1,292,356	102,144	7.9
6. Trucks - Three Axles	239,636	232,131	7,505	3.2	408,080	398,458	9,622	2.4
7. Trucks - Four Axles	835,061	793,650	41,411	5.2	2,145,981	2,052,971	93,010	4.5
8. Buses	213,423	226,542	(13,119)	(5.8)	388,655	402,422	(13,767)	(3.4)
9. Tandem Trailer - Units	90,582	77,520	13,062	16.8	1,171,433	1,035,538	135,895	13.1
10. Non-Revenue	273,391	276,117	(2,726)	(1.0)				.0
Totals	49,483,807	45,892,245	3,591,562	7.8	\$46,648,054	\$43,299,764	\$3,348,290	7.7

CLASS COMPARISON - BOSTON EXTENSION
JANUARY-DECEMBER 1983 VS JANUARY-DECEMBER 1982

Class Description	Transactions		Increase or (Decrease)	%	Revenue		Increase or (Decrease)	%
	1983	1982			1983	1982		
1. Passenger Vehicle or Light Truck (Taxis, Suburbans, Ambulances, Motorcycles, Hearses, Car Pools)	61,897,280	58,348,715	3,548,565	6.1	\$21,268,535	\$20,064,136	\$1,204,399	6.0
2. Passenger Vehicle or Light Truck with One or Two Axle Trailers	53,001	50,933	2,068	4.1	36,229	34,959	1,270	3.6
3. Trucks - Five or More Axles	977,805	880,993	96,812	11.0	887,217	800,531	86,686	10.8
5. Medium Trucks-Dual Tires with Two Axles	1,240,853	1,174,214	66,639	5.7	556,185	525,736	30,449	5.8
6. Trucks - Three Axles	264,756	229,071	35,685	15.6	150,836	130,097	20,739	15.9
7. Trucks - Four Axles	410,689	405,310	5,379	1.3	289,502	285,288	4,214	1.5
8. Buses	638,435	640,570	(2,135)	(.3)	388,299	390,653	(2,354)	(.6)
9. Tandem Trailer - Units	27,412	23,783	3,629	15.3	35,636	30,918	4,718	15.3
10. Non-Revenue	234,946	244,775	(9,829)	(4.0)				.0
Totals	65,745,177	61,998,364	3,746,813	6.0	\$23,612,439	\$22,262,318	\$1,350,121	6.1

MASSACHUSETTS TURNPIKE AUTHORITY
CLASS COMPARISON - CALLAHAN-SUMNER TUNNELS
JANUARY-DECEMBER 1983 VS JANUARY-DECEMBER 1982



Class Description	Transactions		Increase or (Decrease)	%	Revenue		Increase or (Decrease)	%
	1983	1982			1983	1982		
1. Passenger Car, Taxi, Light Truck, Ambulance, Motorcycle, Hearse, Car Pools	17,333,851	16,842,625	491,226	2.9	\$7,876,184	\$7,579,598	\$296,586	3.9
2. Passenger Car with Single Axle Trailer, Two Axle Single Tire Truck with Single-Axle Trailer	4,777	4,512	265	5.9	3,170	3,127	43	1.4
4. Trucks - Five or More Axles	13,661	12,013	1,648	13.7	11,758	10,113	1,645	16.3
5. Two Axle Dual- Tire Truck	249,961	270,147	(20,186)	(7.5)	150,331	160,304	(9,973)	(6.2)
6. Three Axle Truck, Two Axle Dual-Tire Truck with Single Axle Trailer	29,102	25,335	3,767	14.9	20,528	17,025	3,503	20.6
7. Four Axle Truck with or without Trailer, Class 1 Vehicle with Two-Axle Trailer	45,265	39,041	6,224	15.9	35,836	29,061	6,775	23.3
8. Bus	161,983	127,890	34,093	26.7	74,053	57,746	16,307	28.2
9. Commuter	1,345,830	1,436,489	(90,659)	(6.3)	399,135	423,749	(24,614)	(5.8)
10. Non-Revenue	131,291	120,285	11,006	9.1				.0
Totals	19,315,721	18,878,337	437,384	2.3	\$8,570,995	\$8,280,723	\$290,272	3.5

Note: On May 2, 1983, The Authority instituted a one way toll collecting system for the Callahan and Sumner Tunnels. Therefore, the 1982 transactions after May 1, 1982 have been re-stated for comparative purposes.

COMPARISON OF INTERCHANGE TRANSACTIONS
JANUARY-DECEMBER 1983 VS JANUARY-DECEMBER 1982

Interchange	No.	Entrance		Increase or (Decrease)	%	Exit		Increase or (Decrease)	%
		1983	1982			1983	1982		
W. Stockbridge	1.	2,121,405	1,963,532	157,873	8.0	2,085,053	1,926,814	158,239	8.2
Lee	2.	1,055,798	944,049	111,749	11.8	1,090,880	983,788	107,092	10.9
Westfield	3.	1,473,368	1,373,604	99,764	7.3	1,499,467	1,398,862	100,605	7.2
W. Springfield	4.	2,640,402	2,505,363	135,039	5.4	2,696,095	2,570,015	126,080	4.9
Chicopee	5.	1,338,343	1,286,489	51,854	4.0	1,249,709	1,182,018	67,691	5.7
Springfield	6.	2,108,596	1,974,407	134,189	6.8	2,156,947	2,029,845	127,102	6.3
Ludlow	7.	1,129,534	1,083,264	46,270	4.3	1,083,076	1,024,611	58,465	5.7
Palmer	8.	1,378,211	1,285,840	92,371	7.2	1,340,143	1,248,815	91,328	7.3
Sturbridge	9.	5,260,181	4,916,383	343,798	7.0	5,274,982	4,961,029	313,953	6.3
Auburn	10.	4,189,042	3,895,843	293,199	7.5	4,125,971	3,824,647	301,324	7.9
Millbury	11.	1,092,204	981,299	110,905	11.3	1,213,376	1,089,344	124,032	11.4
Westborough	11.A	4,070,057	3,455,387	614,670	17.8	3,894,541	3,327,731	566,810	17.0
Framingham	12.	2,950,884	2,785,096	165,788	6.0	3,138,089	2,924,092	213,997	7.3
Natick	13.	5,442,653	4,994,569	448,084	9.0	5,479,150	5,053,669	425,481	8.4
Weston	14.	6,533,678	6,169,346	364,332	5.9	6,328,281	5,966,335	361,946	6.1
Newton	15.	6,699,451	6,277,774	421,677	6.7	6,828,047	6,380,630	447,417	7.0
Totals		49,483,807	45,892,245	3,591,562	7.8	49,483,807	45,892,245	3,591,562	7.8

MASSACHUSETTS TURNPIKE AUTHORITY
COMPARISON OF INTERCHANGE REVENUE
JANUARY-DECEMBER 1983 VS JANUARY-DECEMBER 1982



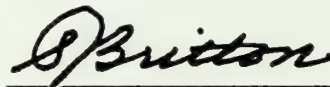
Interchange	No.	Entrance		Increase or (Decrease)	%	Exit		Increase or (Decrease)	%
		1983	1982			1983	1982		
W. Stockbridge	1.	\$ 6,207,395	\$ 5,824,463	\$ 382,932	6.6	\$ 6,150,873	\$ 5,779,319	\$ 371,554	6.4
Lee	2.	1,644,469	1,405,312	239,157	17.0	1,663,798	1,442,245	221,553	15.4
Westfield	3.	945,221	891,196	54,025	6.1	959,545	907,079	52,466	5.8
W. Springfield	4.	2,671,913	2,511,663	160,250	6.4	2,632,809	2,476,702	156,107	6.3
Chicopee	5.	738,637	690,568	48,069	7.0	736,701	678,386	58,315	8.6
Springfield	6.	2,617,068	2,403,684	213,384	8.9	2,597,139	2,386,098	211,041	8.8
Ludlow	7.	766,473	733,576	32,897	4.5	758,000	714,586	43,414	6.1
Palmer	8.	1,009,024	937,940	71,084	7.6	1,005,781	929,873	75,908	8.2
Sturbridge	9.	6,011,749	5,614,442	397,307	7.1	5,874,869	5,530,410	344,459	6.2
Auburn	10.	4,540,628	4,229,301	311,327	7.4	4,469,751	4,167,601	302,150	7.2
Millbury	11.	1,070,545	1,001,608	68,937	6.9	1,183,958	1,104,383	79,575	7.2
Westborough	11.A	3,778,830	3,102,750	676,080	21.8	3,756,640	3,127,505	629,135	20.1
Framingham	12.	1,356,667	1,288,519	68,148	5.3	1,507,113	1,403,949	103,164	7.3
Natick	13.	1,759,550	1,620,623	138,927	8.6	1,711,404	1,587,723	123,681	7.8
Weston	14.	6,376,179	6,190,159	186,020	3.0	6,223,396	5,973,191	250,205	4.2
Newton	15.	5,121,848	4,821,117	300,731	6.2	5,384,419	5,057,871	326,548	6.5
Car Pool Program		31,858	32,843	(985)	(2.9)	31,858	32,843	(985)	(2.9)
Totals		\$46,648,054	\$43,299,764	\$3,348,290	7.7	\$46,648,054	\$43,299,764	\$3,348,290	7.7

BOSTON EXTENSION - STATISTICAL COMPARISON
JANUARY-DECEMBER 1983 VS JANUARY-DECEMBER 1982

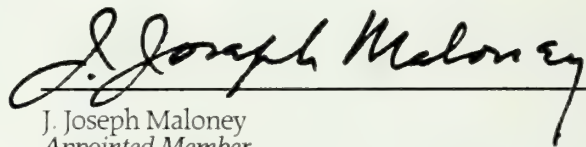
Interchange	No.	Transactions		Increase or (Decrease)	%	Revenue		Increase or (Decrease)	%
		1983	1982			1983	1982		
Newton - Turnpike	15.	13,483,804	12,612,797	871,007	6.9	\$4,928,308	\$ 4,604,368	\$ 323,940	7.0
Newton - 128	15.	11,834,219	11,176,130	658,089	5.9	4,201,389	3,963,987	237,402	6.0
West Newton	16.	2,931,170	2,740,379	190,791	7.0	582,290	544,147	38,143	7.0
Allston									
Off East - On West	18.	8,600,100	8,004,519	595,581	7.4	2,255,772	2,093,755	162,017	7.7
Thru Traffic	19.	21,037,177	20,083,087	954,090	4.8	8,787,263	8,378,462	408,801	4.9
Off West - On East	20.	7,858,707	7,381,452	477,255	6.5	2,839,024	2,656,352	182,672	6.9
Car Pool Program						18,393	21,247	(2854)	(13.4)
Totals		65,745,177	61,998,364	3,746,813	6.0	\$23,612,439	\$22,262,318	\$1,350,121	6.0

February 29, 1984
Massachusetts Turnpike Authority
Employees' Retirement System

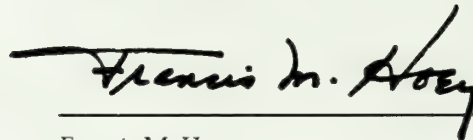
In accordance with the provisions of section 20, subsection 5, paragraph (i) of Chapter 32 of the General Laws, we are pleased to submit herewith, for publication in the Massachusetts Turnpike Authority Annual Report to the Governor and General Court, a copy of the report of the financial condition of the Massachusetts Turnpike Authority Employees' Retirement System as of December 31, 1983.



S. J. Britton
Ex-officio - Chairman



J. Joseph Maloney
Appointed Member



Francis M. Hoey
Elected Member

MASSACHUSETTS TURNPIKE AUTHORITY
EMPLOYEES' RETIREMENT SYSTEM
STATEMENT OF CONDITION
AS OF DECEMBER 31, 1983



Assets		1983	1982
<i>(unaudited)*</i>	Cash in Bank	\$ 1,191	\$ 655
	Investments		
	Government bonds	4,296,842	3,797,277
	Railroad Equipment trust certificates	1,484,723	1,093,289
	Public Utility bonds	2,255,413	1,966,792
	Bank and industrial notes and bonds	2,841,024	1,688,268
	Telephone bonds	5,505,886	5,148,608
	Mortgage loan pass-through certificates	293,265	499,945
	Bank stocks	100,000	0
	Short-term investments available cash	3,671,347	2,489,749
	Term deposits	20,000	170,000
	Certificates of deposit	0	300,000
	Accrued interest on investments	526,685	417,649
	Total Assets	\$20,996,376	\$17,572,232
<hr/>			
Funds and Liabilities			
	Annuity Savings Fund	7,495,456	6,333,719
	Annuity Reserve Fund	1,736,044	1,546,442
	Pension Fund	4,432,573	3,630,868
	Expense Fund	80,083	70,495
	Past Service Liability Fund	7,252,220	5,990,708
	Total Funds and Liabilities	\$20,996,376	\$17,572,232

**See Notes To Financial Statements*

MASSACHUSETTS TURNPIKE AUTHORITY
EMPLOYEES' RETIREMENT SYSTEM
STATEMENT OF CASH
AS OF DECEMBER 31, 1983



	1983	1982
(unaudited)*		
Cash in Bank, January 1	\$ 655	\$ 1,972
Short-term investments, available cash	2,489,748	238,137
Total cash available, January 1	\$2,490,403	\$ 240,109

Receipts

Members' contributions	\$ 991,089	\$ 909,899
Transfers of members' accounts from other systems	11,984	93,693
Pension reimbursements from other systems	57,625	57,106
Massachusetts Turnpike Authority:		
Pension Fund appropriation	1,650,000	1,511,997
Expense Fund appropriation	89,500	109,300
Past Service Liability Fund appropriation	540,000	1,050,000
Workers' Compensation credits	215	1,400
Redeposits of retirement allowance	655	0
Sale of investments	692,465	690,057
Net gain on sale of investments	5,143	18,421
Matured certificates of Deposit	550,000	0
Return of principal on mortgage loan pass-through certificates	206,679	699
Investment income	1,959,623	1,756,286
Total Receipts	\$6,754,978	\$6,198,858

Disbursements

Annuity payments	\$ 151,887	\$ 127,962
Pension payments	1,718,897	1,545,865
Pension reimbursements to other systems	9,272	14,645
Refunds to beneficiaries:		
Option B annuity payments	24,964	22,121
Contributions of deceased employees	19,560	41,312
Refunds to members inactive	60,119	103,082
Transfers of members' accounts to other systems	28,208	9,187
Administrative expenses	79,912	133,277
Investments	3,434,469	1,912,825
Accrued interest purchased	45,555	38,288
Total Disbursements	\$5,572,843	\$3,948,564
Balance, December 31, 1983 and 1982	\$3,672,538	\$2,490,403
Cash in bank, December 31, 1983 and 1982	\$ 1,191	\$ 655
Short-term investments, available cash	3,671,347	2,489,748
Balance December 31, 1983 and 1982	\$3,672,538	\$2,490,403

*See Notes To Financial Statements

EMPLOYEES' RETIREMENT SYSTEM

The Massachusetts Turnpike Authority Employees' Retirement System was established as a contributory retirement system subject to the provisions of Massachusetts General Laws, Chapter 32, sections 1-28, by the enactment of Chapter 597 of the Acts of 1967 and its acceptance by the Authority. The operative date was July 1, 1968.

The system is managed by a board of three members, viz: S.J. Britton, secretary-treasurer of the Authority, who is a member ex-officio and Chairman; Attorney J. Joseph Maloney, appointed member; and Francis M. Hoey, elected member, who is serving his sixth consecutive term following re-election by the membership in 1982.

Provision was made for funding of past service liability of the retirement system by the enactment of Chapter 566 of the Acts of 1978. Under this amendment, the Massachusetts Turnpike Authority is required to fund the sum of (a) the normal pension cost for the current year, and (b) an amount sufficient to amortize unfunded past service liability prior to dissolution of the Authority.

The enactment in December, 1983 of Chapter 661 of the Acts of 1983 significantly amended the provisions of Chapter 32 relative to funding and investment policies of the public employee retirement systems in the Commonwealth of Massachusetts.

ACCOUNTING POLICIES

The accounting policies of the Massachusetts Turnpike Authority Employees' Retirement System follow the principles and practices for public employee contributory retirement systems promulgated by the Commonwealth of Massachusetts, Division of Insurance, pursuant to Chapter 32, section 21 of the Massachusetts General Laws.

Records of the Retirement System have been periodically audited by the Division of Insurance in accordance with the statute. The last such audit was completed in June, 1979, and covered the period from January 1, 1975 through December 31, 1978. Additionally, in August, 1978, the retirement board authorized an audit by an independent accounting firm of refunds of retirement contributions to former employees of the Authority. This audit was completed in January, 1979 and included the ten-year period from July 1, 1968 through June 30, 1978.

Effective January 1, 1983, supervision of the public employee retirement systems in the Commonwealth subject to Chapter 32, including the conduct of audits, was transferred from the Division of Insurance to the Division of Public Employee Retirement pursuant to Chapter 630 of the Acts of 1982.

In 1978, a procedure was established to periodically verify that persons entitled to receive retirement and survivorship allowances are living and that payments are being properly made. The fourth such verification was completed in 1983.

Direct deposit of retirement allowance checks to payees' bank accounts increased to 154 in 1983 representing 35% of the total number of payments per month.

EMPLOYEES' RETIREMENT SYSTEM

INVESTMENTS

Assets of the retirement system are invested pursuant to the provisions and limitations of Chapter 32, section 23. Investment earnings for the year 1983 totalled \$2,170,753 representing a rate of return of 11.26% of the mean ledger assets of the system. \$713,362 of the earnings was attributable to investments of the Past Service Liability Fund. The balance of \$1,457,391 investment earnings was applied to the other funds of the system in accordance with the statute as follows:

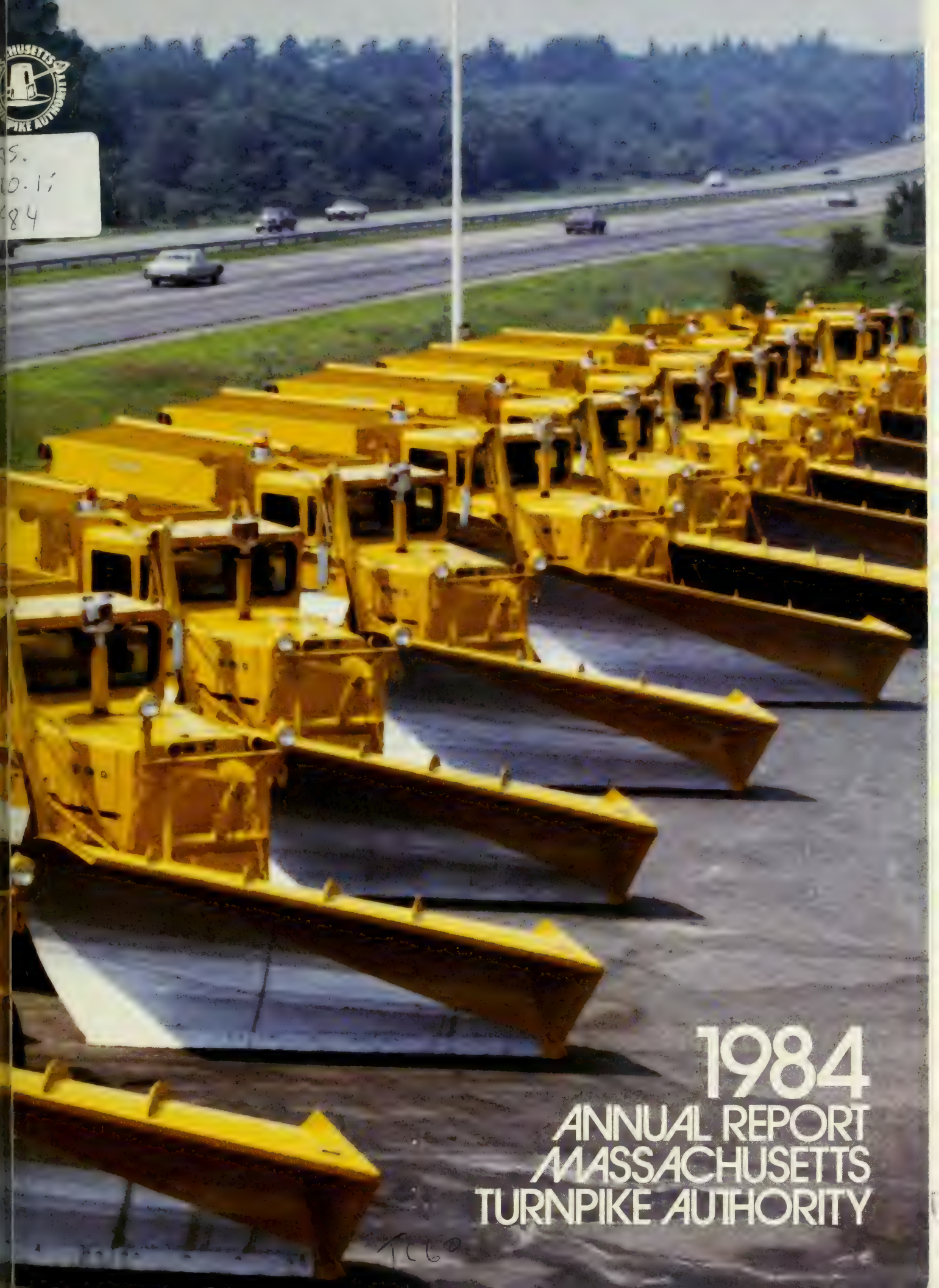
Annuity Savings Fund	\$ 577,481
Annuity Reserve Fund	45,670
Pension Fund	834,240
<hr/>	
Total	\$1,457,391
<hr/>	

In 1982, the Board voted to participate to the extent of \$500,000 with other retirement systems in Massachusetts in a mortgage loan pass-through certificate program, yielding 15.25% to the system. The program made funds available to Massachusetts residents for home mortgages at a fixed rate through participating local banks throughout the Commonwealth.

BENEFITS

During 1983, 20 employees were retired by the retirement board, bringing to 489 the number of employees retired since the inception of the system in 1968. Retirement allowances totalling \$1,870,784 were paid in 1983, of which \$151,887 were annuity payments, \$1,448,239 were pension payments to retirees, and \$270,658 were pension payments to survivors and beneficiaries of deceased employees and retirees. Pension reimbursements totalling \$57,625 were received from other systems and reimbursements of \$9,272 were paid to other systems. Recipients of retirement benefits as of December 31, 1983 numbered 347 retirees and 89 survivors and beneficiaries.





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1984

ANNUAL REPORT
MASSACHUSETTS
TURNPIKE AUTHORITY

TLC

MASSACHUSETTS TURNPIKE AUTHORITY

The Massachusetts Turnpike Authority was created by Chapter 354 of the Acts of 1952 as an autonomous instrumentality of the Commonwealth to discharge the public functions which have, from time to time, been delegated to it by the Legislature. The Authority acts through a board of three members, one of whom is designated as Chairman, that are appointed by the Governor for terms of eight years.

The Authority operates two separate and financially distinct facilities, i.e., The Massachusetts Turnpike and The Callahan-Sumner Tunnels. These facilities were financed by means of three revenue bond issues totalling over five hundred million dollars. Neither the faith and credit nor the taxing power of the Commonwealth of Massachusetts or of any political subdivision thereof is pledged to the payment of the principal of or interest on the bonds. The funds providing for the maintenance, operation and policing of these facilities, as well as principal and interest payments on the bond issues, are derived solely from tolls and other revenues generated by users.

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MASSACHUSETTS TURNPIKE AUTHORITY

BOARD MEMBERS



John T. Driscoll
Chairman



Edward T. Hanley
Vice Chairman



Anne H. McHugh
Member

MASSACHUSETTS TURNPIKE AUTHORITY

STAFF MEMBERS

Top Row

S. J. Britton
Secretary-Treasurer
J. W. Francis
Director of Personnel
R. J. Fontana
Resident Counsel



Second Row

W. P. Driscoll
Superintendent of Tunnels
D. R. Nagle
Director of Real Estate
E. M. King
Director of
Community Relations
A. T. McCann
Equal Employment
Opportunity Officer



Third Row

M. C. Crain
Chief Engineer
J. T. Dias
Maintenance Engineer
H. Finn
Superintendent of
Toll Collection



Bottom Row

J. N. Grim
Assistant Chief Engineer
R. A. Morse, Jr.
Commander, Troop 'E'
Mass. State Police
H. Healy
Secretary to Chairman



Staff Members Not Pictured

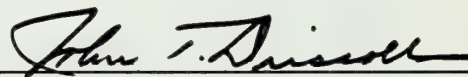
P. F. Byron
Assistant Secretary
Assistant Treasurer
W. M. Coffill
Manager of
Computer Services
K. R. Lewis
Controller
G. F. Coughlin
Secretary to
Retirement Board
William D. Crowther
Assistant Superintendent
of Tunnels

His Excellency Michael S. Dukakis
Governor of the Commonwealth of Massachusetts
and
Members of the Senate and House of Representatives
State House
Boston, Massachusetts 02133

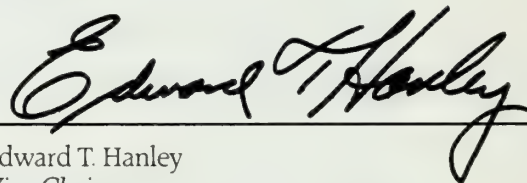
His Excellency and Honorable Members:

In accordance with this Authority's enabling legislation, section 15, Chapter 354, Acts of 1952, as amended, we are pleased to submit herewith the Thirty-First Annual Report of the Massachusetts Turnpike Authority covering the 1984 operation of the Massachusetts Turnpike and the Callahan-Sumner Tunnels.

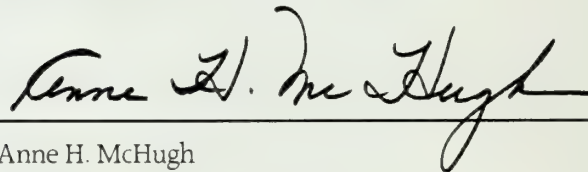
Further, in accordance with the provisions of Chapter 32, section 20, subsection 5, paragraph (i) of the General Laws, we are also submitting herein the report of the financial condition of the Massachusetts Turnpike Authority Employees' Retirement System as of December 31, 1984.



John T. Driscoll
Chairman



Edward T. Hanley
Vice-Chairman



Anne H. McHugh
Member

FINANCIAL HIGHLIGHTS 1984

The year 1984 was one of important and significant financial accomplishments for the Massachusetts Turnpike Authority in terms of debt reduction and a record growth in combined gross revenues.

On December 30, 1983 the Authority called for redemption, effective January 31, 1984, the remaining \$12,489,000 of the \$254,000,000 Initial Turnpike revenue bonds issued in 1954 and 1968 to finance the construction of the Initial Turnpike between the New York State line and Route 128 in Weston, and the widening of the Initial Turnpike between Sturbridge and Framingham. Pursuant to the provisions of the Supplemental Trust Agreement Relating to the Boston Extension, dated as of January 1, 1962, this action fulfilled the definition of the "Retirement Date" as set forth therein and, in turn, triggered the following additional events: (1) defeasance of the Trust Agreement dated as of May 1, 1954 securing the Initial Turnpike bonds effective midnight December 31, 1983; (2) transfer of all monies held in the special funds and accounts created by the 1954 trust agreement to the designated special funds and accounts created by the 1962 supplemental trust agreement; (3) operation of the Boston Extension and the Initial Turnpike as a single turnpike project, known as the Massachusetts Turnpike, effective January 1, 1984; (4) on December 30, 1983, the Authority called for refunding, effective March 1, 1984, the \$80,000,000 Boston Extension Series B 4-5% Revenue Bond issue and authorized in replacement thereof the issuance of \$107,600,000 Boston Extension Series B Revenue Refunding bonds; and (5) effective January 1, 1984, the tolls and other revenues derived from operation of the Massachusetts Turnpike were dedicated to payment of principal and interest on the \$138,000,000 principal amount of Boston Extension Series A Revenue bonds (Series A bonds) outstanding and the \$107,600,000 principal amount of Boston Extension Series B Revenue Refunding bonds (Series B bonds) outstanding.

Pursuant to the provisions of Section 510 of the 1962 supplemental trust agreement, on March 1, 1984 the Trustee transferred from the General Reserve Account to the credit of the Redemption Account, the sum of \$8,823,347, leaving a balance in the General Reserve Account of \$11,707,000, an amount equal to one (1) year's interest on the Series A and Series B bonds then outstanding.

Pursuant to Section 511(b) of the 1962 supplemental trust agreement, effective July 1, 1984, the Trustee called for redemption the sum of \$5,425,000 principal amount of Series B Refunding bonds at the current call price of 106% and for the redemption of all Series B Refunding bonds having a face value of less than \$1,000. In October and November of 1984, in response to formal "Invitation for Tenders" which had been mailed to all Series B bondholders, the Trustee accepted tenders in the total principal amount of \$21,041,000 for settlement in November and December, 1984. Accordingly, as the result of the July 1 call and the acceptance of tenders, a total principal amount of \$27,923,885, or 25.4%, of the Series B bonds were retired in 1984 leaving a balance of \$79,676,115 principal amount outstanding as of December 31, 1984.

A total of \$2,899,000 principal amount of Callahan-Sumner 4³/₄% Series 1959 Tunnel Revenue Bonds were retired during 1984. Outstanding Callahan-Sumner Tunnel bonds have been reduced from \$54,400,000 to \$13,569,000, or by 75.1%, as of December 31, 1984.

Gross revenues of the Massachusetts Turnpike increased by \$6,117,000 or by 7.8%, i.e., from \$78,331,000 in 1983 to \$84,448,000 in 1984. Gross revenues of the Callahan-Sumner Tunnels increased by \$376,000, or by 4.0%, i.e., from \$9,393,000 in 1983 to \$9,769,000 in 1984. The Authority's total operating expenses increased by \$2,889,923 or by 8.8% over 1983 expenses. Combined net revenues amounting to \$58,647,884 was \$3,602,041, or 6.5%, greater than 1983.

FINANCIAL HIGHLIGHTS 1984

REPLACEMENT RESERVE PROJECTS

Construction contracts for heavy maintenance projects having a total value of \$11 million were awarded in 1984 under the Replacement Reserve Program. Major contracts involved bridge deck reconstruction at a cost of \$4.6 million and roadway improvements at a cost of \$6.3 million.

Bridge Repairs

The deck of the Turnpike westbound roadway was reconstructed on the 837 foot long bridge over the Chicopee River at the Ludlow-Wilbraham town line. The new deck consists of prefabricated prestressed concrete panels similar to those used on the eastbound roadway which was reconstructed in 1983. Innovative precast concrete parapets were bolted to the deck which resulted in a savings in construction time and thereby permitted the new deck to be opened in time for the heavy summer traffic.

The westbound deck was replaced on the Quaboag Valley Bridge which has a total length of 760 feet. This bridge spans the Quaboag River, Railroad, and the Palmer-West Brimfield Road. The westbound deck of the nearby Turnpike bridge over Boston Road (Route 67) was reconstructed under the same contract. The decks were reconstructed in the conventional manner employing on-site concrete placement. The top mats of steel reinforcing were coated with epoxy to prevent corrosion. The decks of the eastbound roadways of these structures were similarly replaced in 1983.

Both the eastbound and westbound decks of the Turnpike bridges over Thorndike Street, in Palmer, were also reconstructed in 1984.

The westbound decks of four Turnpike bridges in Newton and Boston were repaired in 1984, using methyl methacrylate polymer material to replace the deteriorated concrete in a carry-over contract awarded in 1983. The eastbound decks of these bridges that separately span the Railroad, Brooks Street, Parsons Street and North Beacon Street were repaired in 1983. The MMA polymer material which achieved 4,000 pounds per square inch compressive strength in one hour enabled all lanes to be available during peak periods of traffic.

Also in 1984, the entire top portion of the concrete deck was replaced on the relatively short 60 foot span of the bridge that carries eight lanes of Turnpike traffic over the Muddy River in Boston. Here again, the deteriorated concrete was replaced with the MMA polymer material because of its property to obtain high strength quickly and thereby allow the repaired areas to be opened to traffic during the heavy traffic commuter hours daily.

Roadway Improvements

An 11.4 mile section of the Turnpike in Brimfield, Warren, and Sturbridge was resurfaced in 1984. Contract items of work included pavement repairs preparatory to the resurfacing with a 1-1/2 inch thick bituminous concrete overlay, drainage repairs, replacement of the old cable type highway guard with new steel beam, and other safety improvements.

A contract for Turnpike pavement and slope repairs between Sturbridge (Interchange 9) and Millbury (Interchange 11) was awarded in 1984 for 1985 completion. The work consists of pavement repairs with sub-base drainage improvements, stabilizing highly eroded slopes with blankets of free-draining crushed stone and cleaning drainage ditches of silt and vegetative growth.

Prudential-Copley-Hancock Tunnel

With completion of the Copley Place development project in 1984, the Turnpike now passes in a tunnel-like passageway, 3,100 feet in length, under the Prudential Center, including the Hynes Auditorium, Copley Place, and Hancock Garage. For fire protection in this elongated passageway, the dry standpipe system was extended for its entire length. Also, an emergency telephone system was installed in the passageway and covered ramps with call boxes located at regular intervals.

Callahan-Sumner Tunnels

With the inauguration of the one-way toll system at the Callahan-Sumner Tunnels, a contract was awarded in 1983 for the removal of three additional toll booths and the reconstruction of the Callahan Tunnel exit roadway which connects to Route 1A and Porter Street. This work was completed in 1984.

FINANCIAL HIGHLIGHTS 1984

REPLACEMENT RESERVE PROJECTS (CONT.)

Toll Collection Equipment

A contract to provide a new \$8.2 million toll collection system for the Massachusetts Turnpike and Callahan-Sumner Tunnels was awarded in February, 1984. The contract provides for designing, fabricating, programming, testing, installing and maintaining an electronic computerized toll collection system. Some 150 toll lanes will be provided with this new equipment. Each toll plaza will have dual computers for the storage of data. A host computer will be installed in the data processing center to collect the toll plaza data which in turn will be transferred to the main frame computer for audit. The entire system is scheduled for completion in December, 1986.

Copley Place

Following three years of construction, the \$500 million mixed-use Copley Place development was completed in 1984. The project was built on 9.5 acres of Turnpike land over the Turnpike interchange which is centrally located across from Copley Square in Boston.

The development complex includes the 36 story 804 room Westin Hotel opened in 1983; four interconnected seven story buildings with over 800,000 square feet of office space, two levels

of shopping galleries anchored by a Neiman-Marcus specialty department store; the 40 story 1145 room Marriott convention hotel, enclosed garaging with 1400 spaces, and 100 mixed-income housing units.

As provided for in the Authority's air rights lease agreement, 15,300 square feet of retail and office space is set aside for community retail and office space. One half of the community retail and office area will be devoted to minority business enterprises and community development corporations at below market rental rates.

With completion seven years after air-rights negotiations commenced, Copley Place represents the largest private development in Boston's history.

Wang Laboratories Development Project

Construction of the ten story Wang Laboratories building is nearing completion. The 80 by 130 foot building is being constructed on 5.9 acres of land leased from the Authority in 1982 at the eastern terminus of the Turnpike. The development will include manufacturing and office facilities which will provide employment opportunities in the Chinese community of Boston.

CAR POOLING

During 1984, participants in the Authority's C.P.I.D. (Car Pool Program) saved \$180,000 in toll revenue. The total savings to car poolers has

been more than \$1,000,000 since the inception of the program five years ago.

SAFETY RECORD

It is with great pleasure that we announce that 1984 was one of the safest years in the history of the Massachusetts Turnpike.

The 1984 fatality rate was .73 and the fatal accident rate was .57 per one hundred million miles. Since the Massachusetts Turnpike has been in

existence, the next best fatality rate was in 1983 with .60.

This performance is attributed to the strict enforcement of the 55 mph speed limit, enforcement of the trucking regulations, and the high visibility of State Police patrols. The cooperation from all departments and the maintenance of the roadway contributed greatly to this goal.

FINANCIAL HIGHLIGHTS 1984

EMERGENCY SERVICE PATROL

For the patrons of the Massachusetts Turnpike, 1984 marked the 16th Anniversary of the Emergency Service Patrol function. This unique concept was developed by the present Chairman of the Authority, John T. Driscoll as a public service to Turnpike patrons.

With newly purchased vehicles, radio-equipped and fully operational, the 16 member team of the Emergency Service Patrol are prepared to assist those patrons who experience vehicular problems from downtown Boston to the New York line.

Chairman Driscoll stated that "you are never alone on the Mass Pike" and added that the safety of all travelers is the primary concern of all Mass. Turnpike personnel. The Emergency Service Patrol is in addition to the 24 hour coverage provided by Troop 'E' of the Massachusetts State Police and the Maintenance Weather Patrol on the Massachusetts Turnpike. Since the inception of the patrol 16 years ago an average of 30,000 motorists have been assisted each year.

The Emergency Service Patrol unit are employees of the Turnpike Authority under the direction of Captain Robert A. Morse, Commanding Officer, Troop 'E', Massachusetts State Police with headquarters at Weston, Mass.

The Emergency Service Patrol provides gasoline, water, changes flat tires, boost batteries or gives push starts. Additional functions include: assisting the State Police at accident scenes by providing flares to warn other motorists of a disabled vehicle as well as cleaning the debris from the accident scene, checking cone setups at construction sites and extinguishing small grass and brush fires. The goal of the Emergency Service Patrol is to provide prompt, efficient and courteous service and above all to make the Massachusetts Turnpike the safest road in the country.

TOLL COLLECTIONS

1984 was a record breaking year for the Turnpike and Boston Extension. 8,250,000 more vehicles were processed than in 1983.

Interchange 11A in Westboro (connecting with Interstate #495) continues to lead all interchanges in growth, with an increase of 16.4%, representing 1,303,506 vehicles, both entry and exit.

To expedite this increase in traffic new lanes are to be constructed in the spring of 1985; at Interchange #13 in Natick/Framingham, Interchange 11A in Westboro and at Interchange #10 in

Auburn. Also planned for 1985 is the rebuilding and refurbishing of all toll booths including the installation of new counter tops, cash drawers, and an electrical heating system, plus the replacement of all emergency generators.

This program is scheduled for completion in early 1986. At this time the new Toll Collection system will be ready for installation.

The new toll system will incorporate the latest state-of-the-art computerized toll equipment with current computer technology.

AFFIRMATIVE ACTION

EQUAL EMPLOYMENT OPPORTUNITY OFFICE

As of December 29, 1984, there was 11% minority and 17% female representation in the workforce.

The Authority's 1984 Replacement Reserve Construction Program was successful in attaining the prescribed location percentages of the special provisions, i.e., 30%, 15% and 10% minority workforce included in the specific contracts. The minority labor workforce on nine construction contracts in 1984 received \$214,498 representing 15% of the labor portion of these projects.

The Authority's 5% MBE Purchasing Program initiated in 1977 was updated and presented to the Executive Office of Transportation and Construction in October 1984 for review and ultimate approval by the Commonwealth of Massachusetts, Department of Affirmative Action.

In 1984 Minority Business Enterprises shared \$737,903 for goods and construction services.

On April 20, 1984, Copley Place was substantially completed with the opening of the Marriott Hotel which anchored the 9½ acre site containing the Westin Hotel, central office tower and the Mall. Pursuant to the lease language between Urban Investment & Development Inc., and the Massachusetts Turnpike Authority the overall construction goal of 20% minority and 5% MBE participation was attained.

A total of \$18,000,000 was awarded to Minority Business Enterprises during the construction phase.

Highlights of tenant compliance with affirmative action as of June 30, 1984.

	Min.	Female	Total Emp.
Westin	47%	41%	829
Marriott	46%	41%	978
Neiman Marcus	24%	66%	229
UIDC Management	38%	30%	179
Retail Tenants	14%	35%	1315
Total	30%	41%	3530

CREDIT UNION

The Authority is pleased to acknowledge in this annual report that the Turnpike Credit Union observed with great satisfaction its tenth anniversary in 1984.

Due in large part to the diligent efforts of a fifteen-member Board of Directors, the Turnpike Credit Union has grown steadily since being established in February, 1974.

Statistically, total assets increased to \$1,811,919 as of December 31, 1984. At year-end 791

Authority employees were members owning share account deposits of \$770,224, term deposits of \$136,455, and money market deposit accounts of \$430,030. Dividends paid to members increased from \$59,387, in 1983 to \$62,644 in 1984.

The Turnpike Credit Union enters 1985 looking forward to another decade of providing a comprehensive program of savings and loan services to its membership.

SERVICE AWARDS

During 1984, the following personnel received Length of Service Awards:

25 YEARS

John P. DeAngelis
*Security Officer-
Callahan/Sumner Tunnel*
Leo Ladouceur
Toll Collector
Albert J. Litano
*Assistant Section
Supervisor of Tolls*
Angel Martinez
Chauffeur
Edward K. Porter
*Heavy Equipment
Operator*
Donald T. Thurber
*Supervisor of
Maintenance*
Raymond Turner
Senior Toll Collector

20 YEARS

Patrick J. Buckley
*Section Supervisor
of Tolls*
James F. Cahill
*Assistant Superintendent
of Toll Collection*
Theodore J. Cournoyer, Jr.
Section Safety Inspector

Patrick M. Curran
Bridge Repairman
Charles G. Dolan
Chauffeur
John T. Driscoll
Chairman
William P. Driscoll
*Superintendent of
Tunnels*
Paul R. Epstein
Toll Collector
Robert Flaherty
Foreman of Maintenance
Robert A. Kewley
*Light Equipment
Operator*
Harold T. Moore
Contract Administrator
Joseph P. Quinn
Plaza Supervisor

15 YEARS

Albert E. Abdella
*Assistant Division
Engineer*
Richard A. Belair
Toll Collector
Richard J. Cavanaugh
Toll Collector
Dante Cecchi
First Class Mechanic

John P. Cioffi
*Acting First Class
Mechanic*
Walter Cooper
*Heavy Equipment
Operator*
Joseph A. Coyne
*Supervisor of Computer
Operations*
James Coughlin, Sr.
Toll Collector
Ronald J. Ditomasso
Bridge Repairman
Anthony J. Giannone
*Senior Motor Equipment
Clerk*
Clayton R. Gile
*Foreman of Motor
Equipment*
James M. Gooding
Plaza Supervisor
Stuart L. Lanza
*Foreman of Building
Maintenance*
Santo C. Laquaglia
Maintenance Worker
Roger H. Lariviere
Maintenance Clerk
Richard A. Manyak
Toll Collector
Richard R. Mayoski
First Class Mechanic

Edward E. McCarthy
Supervisor of Stores
Patricia M. McDonald
*Assistant Manager of
Data Systems*
Mary A. O'Brien
Senior Typist Clerk
Anthony J. Petti
Foreman of Maintenance
Kenneth Pimental
First Class Mechanic
James Quinn
Toll Collector
Edward L. Roads
Electrician
Kenneth F. Sanders
Toll Collector
Veneranda Sciortino
*Assistant Supervisor of
Toll Audit*
Paul M. Soticheck
Courier
Roland L. Theriault
*Emergency Service
Patrolman*
Gilbert Thompson
Toll Collector
Edward T. Young
Foreman of Maintenance

At a testimonial dinner on December 11, 1984, the following Massachusetts Turnpike Employees were among those selected from throughout the Commonwealth to receive a Performance Recognition Award from Governor Michael S. Dukakis:

William D. Crowther
*Assistant Superintendent
of Tunnels*

Carol A. Latfy
Chief Accountant
Myron Marcoulis
First Class Mechanic

Dale W. Morse
*Building Maintenance
Mechanic-Skilled*
Gregory Ouzounian
First Class Mechanic

Bennie I. Trzcinski
Toll Collector

RETIRES FOR 1984

TOLL COLLECTION:

Mitchell Dune
Toll Collector
John C. Faber
Toll Collector
Boguslaus S. Grzywna
Toll Collector
Abraham Maloof
Toll Collector
James E. Mullen
Toll Collector
George J. Penna
Toll Collector

EMERGENCY SERVICE

PATROL:

Salvatore J. Miano
*Emergency Service
Patrolman*
Philip P. Panzero
*Assistant Manager of
Patron Services*
**ENGINEERING AND
MAINTENANCE:**
Trin J. Astrella
Maintenance Worker
John F. Ayers
*Building Mechanic
Skilled*
Christopher G. Barlas
Assistant Foreman

Anthony J. Cardillo
First Class Mechanic
John M. Madonna, Sr.
Foreman Maintenance
Francis D. McMaster
Senior Storekeeper
Edward S. Olsza
*Heavy Equipment
Operator*
Ernest C. Perikli
*Light Equipment
Operator*
Warren H. Sarty
Maintenance Worker
Joseph A. Hudyka
*Foreman Motor
Equipment Maintenance*

PURCHASING:

Thomas A. Kelley
Purchasing Agent

TUNNELS DIVISION:

Vincent M. Bonaffini
Toll Collector
Orlando Fanti
Security Officer
David J. O'Malley
Supervisor of Tolls

DEATHS - 1984

*Frederick V. King
*Equipment Operator
Loader*
01/03/84
*William J. Corkery
Janitor
01/06/84
*Helen Andronica
Principal Clerk
02/20/84
*Thomas J. Walsh
Toll Collector
02/23/84
*Edward P. DeGeroge
*Building Maintenance
Man Skilled*
02/25/84
*Jeremiah A. Scanlon
Toll Collector
03/08/84

*James A. Peddle
Maintenance Man
03/11/84
*Francis E. Scully
Toll Collector
03/27/84
*Thomas F. Ford
Toll Collector
04/03/84
*Henry E. Daly
Maintenance Man
04/16/84
*John T. McAloon
Maintenance Man
04/21/84
Leslie F. MacNeil
Toll Collector
05/13/84

*Donald A. Foley
Toll Collector
05/21/84
*Gerald J. Cahill
Security Officer
05/23/84
*Donato Cellucci
Toll Collector
06/21/84
*David J. O'Malley
Supervisor of Tolls
07/11/84
*Joseph A. Hudyka
*Foreman Motor
Equipment Maintenance*
08/01/84
*Robert W. Tower
Mechanic
09/06/84

Thomas R. Collins
General Helper
09/15/84
Robert E. Brown
Toll Collector
10/29/84
*Ola Mason
Toll Collector
10/30/84
*Raymond F. Ingraham
Toll Collector
11/04/84
*Frank Rella
Maintenance Man
11/25/84

(*retiree)

February 22, 1985
Charles E. Di Pesa & Co.
Certified Public Accountants
Members of the Board
Massachusetts Turnpike Authority
Boston, Massachusetts 02199

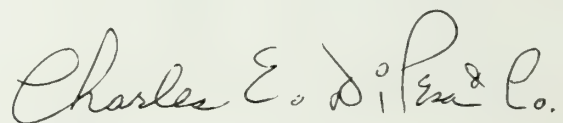
Gentlemen:

We have examined the Combined Statement of Condition of the Massachusetts Turnpike Authority as of December 31, 1984 and the related Combined Statement of Revenues and Expenses for the year ended pursuant to the Trust Agreements. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As more fully described in the footnotes, the Authority's policy is to prepare its financial statements on the basis of accounting practices prescribed by the Trust Agreements. These practices vary in some respects from generally accepted accounting principles but are in accordance with practices followed by similar entities.

In our opinion, the aforementioned financial statements present fairly the financial position of the Massachusetts Turnpike Authority as of December 31, 1984 and the revenues and expenses for the year then ended in conformity with the provisions of the Trust Agreements and is consistent with that of the preceding year. The current year's supplementary data have been subjected to the same auditing tests and procedures and, in our opinion, are stated fairly in all material respects when considered in conjunction with the financial statements taken as a whole.

Respectfully submitted,



Charles E. Di Pesa & Co.
Certified Public Accountants

MASSACHUSETTS TURNPIKE AUTHORITY
COMBINED STATEMENT OF CONDITION
AS OF DECEMBER 31, 1984 and 1983



Assets	1984	1983
Cash	\$ 10,896,381	\$ 14,608,334
Investments	39,283,676	35,775,340
Accrued Interest on Investments	291,429	279,248
Accounts Receivable	2,337,712	2,149,939
Inventories	622,458	481,770
Deposits, Prepaid and Deferred Items	673,614	956,271
Escrow Funds	59,050	59,975
Investments in Annuity Contract (Note 6)	1,206,280	741,715
Cost of Massachusetts Turnpike and Callahan-Sumner Tunnels to Date	554,000,000	526,400,000
Total Assets	\$609,370,600	\$581,452,592

Liabilities and Fund Balances

Accounts Payable	\$ 1,221,848	\$ 512,908
Accrued Expenses and Payroll	2,657,032	3,373,006
Withholding from Employees	28,491	28,009
Deposits and Deferred Income	410,290	371,697
Bond Interest-Unpaid Coupons	22,991	22,991
Deferred Compensation (Note 6)	1,206,280	741,715
Medical Benefits Claims Reserve	166,090	197,534
Retainage	1,030,457	708,068
Revenue Bonds Outstanding	231,245,115	234,468,000
Fund Balances		
Revenue Bonds Retired	322,754,885	291,932,000
Fund Balances	48,627,121	49,096,664
Total Fund Balances	371,382,006	341,028,664
Total Liabilities and Fund Balances	\$609,370,600	\$581,452,592

The Accompanying Footnotes are an Integral Part of these Combined Statements

MASSACHUSETTS TURNPIKE AUTHORITY
COMBINED STATEMENT OF REVENUES AND EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 1984 and 1983



<i>Revenues</i>	1984	1983
Toll Revenue (Net)	\$ 84,376,358	\$ 78,323,442
Restaurant Revenue	1,150,315	1,079,739
Service Station Revenue	1,369,133	1,320,833
Rental Income	1,762,977	1,481,553
Miscellaneous	282,576	519,562
Income from Investments		
Redemption Account	606,498	336,931
Revenue Fund	422,012	365,199
Replacement Reserve Fund	1,772,459	1,203,388
Bond Interest Account	526,715	400,004
Reserve Account	1,947,534	2,693,962
Total Revenues	\$ 94,216,577	\$ 87,724,613

Operating Expenses

Administrative	\$ 5,234,023	\$ 5,331,084
Retirement	3,705,756	2,514,277
Toll Collection	9,733,835	9,041,854
Police Patrol	2,750,348	2,587,722
Maintenance of Highway, Buildings, Tunnels and Equipment	14,144,731	13,203,833
Total Operating Expenses	\$ 35,568,693	\$ 32,678,770
Excess of Revenues Over Operating Expenses	\$ 58,647,884	\$ 55,045,843
Interest Requirements	\$ 11,700,187	\$ 11,283,256

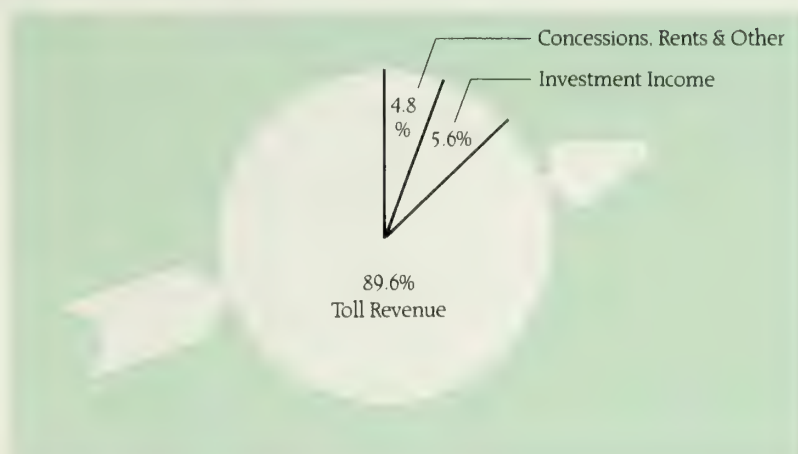
COMBINED ANALYSIS OF FUND BALANCES
FOR THE YEARS DECEMBER 31, 1984 and 1983

	1984	1983
<i>Balances – beginning of year</i>	\$ 49,096,664	\$ 51,178,060
Excess of Revenues Over Operating Expenses for the Years Ended December 31, 1984 and 1983	58,647,884	55,045,843
Totals	\$107,744,548	\$106,223,903

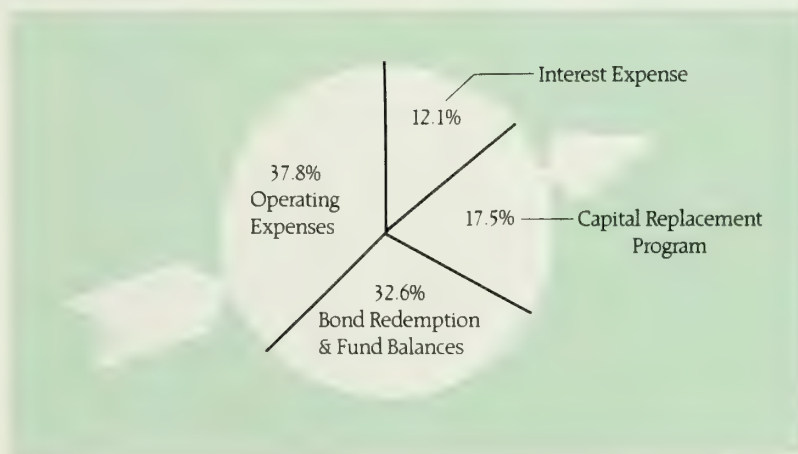
Disbursements

Redemption of Bonds	\$ 30,896,888	\$ 33,528,424
Payment of Bond Interest		
Interest Dates	10,452,166	11,389,170
Retirement Dates	943,675	216,692
Replacement Reserve Expenditures	16,680,989	11,812,181
Bond Call and Issuance Expenditures	143,709	180,772
Total Disbursements	\$ 59,117,427	\$ 57,127,239
Balances – end of year	\$ 48,627,121	\$ 49,096,664

MASSACHUSETTS TURNPIKE AUTHORITY 1984 COMBINED GROSS REVENUES

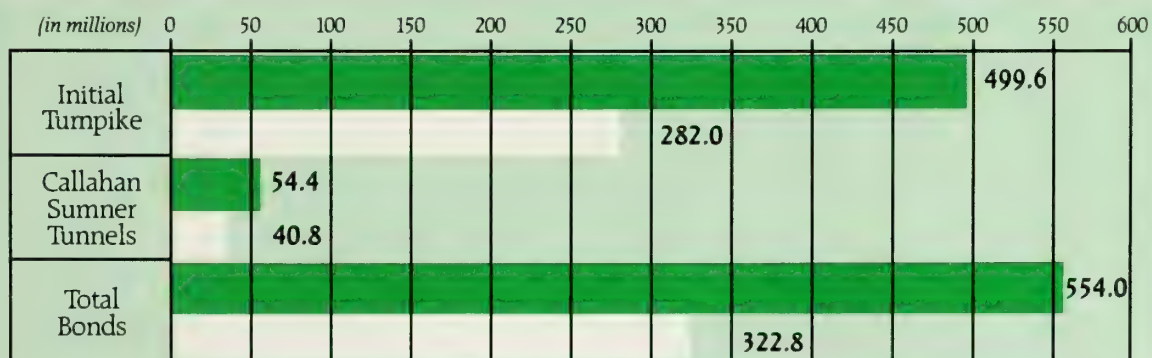


1984 DISPOSITION OF COMBINED REVENUES



1984 TOTAL BONDS ISSUED AND RETIRED

Issued
Retired



MASSACHUSETTS TURNPIKE AUTHORITY
MASSACHUSETTS TURNPIKE
STATEMENT OF CONDITION
AS OF DECEMBER 31, 1984 and 1983



<i>Assets</i>	1984	1983
Cash	\$ 10,009,893	\$ 12,870,004
Investments	33,105,450	31,036,543
Accrued Interest on Investments	210,755	212,187
Accounts Receivable	2,224,346	2,077,879
Inventories	621,937	479,129
Deposits, Prepaid and Deferred Items	461,210	562,314
Escrow Funds	59,050	59,975
Investments in Annuity Contract (Note 6)	1,206,280	741,715
Due from Other Funds	905,343	309,160
Cost of Massachusetts Turnpike to Date	499,600,000	472,000,000
Total Assets	\$548,404,264	\$520,348,906

Liabilities and Fund Balances

Accounts Payable	\$ 1,189,907	\$ 452,730
Accrued Expenses and Payroll	1,852,351	2,706,336
Withholding from Employees	28,491	28,009
Deposits and Deferred Income	287,873	264,773
Bond Interest-Unpaid Coupons	21,162	21,162
Deferred Compensation (Note 6)	1,206,280	741,715
Due to Other Funds	918,977	312,050
Retainage	985,334	612,537
Medical Benefits Claims Reserve	166,090	197,534
Revenue Bonds Outstanding		
1962 Revenue Series - Due Jan. 1, 2002		
Series A - 4.75%	100,000,000	100,000,000
Series A - 4.15%	38,000,000	38,000,000
Series B - 4%-5%		80,000,000
1984 Refunding Bonds - Due Jan. 1, 2002		
Series B - 5%	79,676,115	
Fund Balances		
Revenue Bonds Retired	281,923,885	254,000,000
Fund Balances	42,147,799	43,012,060
Total Fund Balances	\$324,071,684	\$297,012,060
Total Liabilities and Fund Balances	\$548,404,264	\$520,348,906

The Accompanying Footnotes are an Integral Part of these Combined Statements

MASSACHUSETTS TURNPIKE AUTHORITY
MASSACHUSETTS TURNPIKE
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 1984 and 1983



<i>Revenues</i>	1984	1983
Toll Revenue (Net)	\$75,403,783	\$69,757,098
Restaurant Revenue	1,150,315	1,079,739
Service Station Revenue	1,369,133	1,320,833
Rental Income	1,694,090	1,409,113
Miscellaneous	282,574	519,110
Income from Investments		
Redemption Account	606,498	336,931
Revenue Fund	379,271	330,859
Replacement Reserve Fund	1,604,447	1,001,382
Bond Interest Account	492,236	363,513
Reserve Account	1,465,840	2,213,119
Total Revenues	\$84,448,187	\$78,331,697
<hr/>		
<i>Operating Expenses</i>		
Administrative	\$ 4,527,806	\$ 4,645,785
Retirement	3,019,838	1,948,255
Toll Collection	8,142,427	7,421,783
Police Patrol	2,611,014	2,471,162
Engineering and Maintenance	12,317,039	11,496,307
Total Operating Expenses	\$30,618,124	\$27,983,292
Excess of Revenues Over Operating Expenses	\$53,830,063	\$50,348,405
Interest Requirements	\$10,970,310	\$10,413,435
Percentage of Interest Earned	490.69	483.49

The Accompanying Footnotes are an Integral Part of these Combined Statements

MASSACHUSETTS TURNPIKE AUTHORITY
MASSACHUSETTS TURNPIKE
ANALYSIS OF FUND BALANCES
FOR THE YEARS ENDED DECEMBER 31, 1984 and 1983



	1984	1983
<i>Balances – beginning of year</i>	\$43,012,060	\$43,440,487
Excess of Revenues Over Operating Expenses for the Years Ended December 31, 1984 and 1983	53,830,063	50,348,405
<i>Totals</i>	\$96,842,123	\$93,788,892

Disbursements

Redemption of Bonds	\$28,118,913	\$30,592,829
Payment of Bond Interest		9,527,000
Interest Dates	9,720,333	990,259
Retirement Dates	904,382	175,704
Replacement Reserve Expenditures	15,806,987	9,310,268
Bond Call and Issuance Expenditures	143,709	180,772
<i>Total Disbursements</i>	\$54,694,324	\$50,776,832
<i>Balances – end of year</i>	\$42,147,799	\$43,012,060

The Accompanying Footnotes are an Integral Part of these Combined Statements

MASSACHUSETTS TURNPIKE AUTHORITY
CALLAHAN-SUMNER TUNNELS
STATEMENT OF CONDITION
FOR THE YEARS ENDED DECEMBER 31, 1984 and 1983



Assets	1984	1983
Cash	\$ 886,488	\$ 1,738,330
Investments	6,178,226	4,738,797
Accrued Interest on Investments	80,674	67,061
Accounts Receivable	113,366	72,060
Inventories	521	2,641
Deposits, Prepaid and Deferred Items	212,404	393,957
Due from Other Funds	93,842	49,783
Cost of Tunnel to Date	54,400,000	54,400,000
Total Assets	\$61,965,521	\$61,462,629

Liabilities and Fund Balances

Accounts Payable	\$ 31,941	\$ 60,178
Accrued Expenses and Payroll	804,681	666,670
Deposits and Deferred Income	122,417	106,924
Bond Interest-Unpaid Coupons	1,829	1,829
Due to Other Funds	80,208	46,893
Retainage	45,123	95,531
Revenue Bonds Outstanding		
1959 Revenue Series - Due April 1, 1999		
4.75%	13,569,000	16,468,000
Fund Balances		
Revenue Bonds Retired	40,831,000	37,932,000
Fund Balances	6,479,322	6,084,604
Total Fund Balances	\$47,310,322	\$44,016,604
Total Liabilities and Fund Balances	\$61,965,521	\$61,462,629

The Accompanying Footnotes are an Integral Part of these Combined Statements

**MASSACHUSETTS TURNPIKE AUTHORITY
CALLAHAN-SUMNER TUNNELS
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 1984 and 1983**



<i>Revenues</i>	1984	1983
Toll Revenue (Net)	\$ 8,972,575	\$ 8,566,344
Rental Income	68,887	72,440
Miscellaneous	2	452
Income from Investments		
Revenue Fund	42,741	34,340
Replacement Reserve Fund	168,012	202,006
Bond Interest Account	34,479	36,491
Reserve Account	481,694	480,843
Total Revenues	\$ 9,768,390	\$ 9,392,916

Operating Expenses

Administrative	\$ 706,217	\$ 685,299
Retirement	685,918	566,022
Toll Collection	1,591,408	1,620,071
Police Patrol	139,334	116,560
Maintenance and Operation of Tunnels	1,827,692	1,707,526
Total Operating Expenses	\$ 4,950,569	\$ 4,695,478
Excess of Revenues Over Operating Expenses	\$ 4,817,821	\$ 4,697,438
Interest Requirements	\$ 729,877	\$ 869,821
Percentage of Interest Earned	660.09	540.05

**CALLAHAN-SUMNER TUNNELS
ANALYSIS OF FUND BALANCES
FOR THE YEARS DECEMBER 31, 1984 and 1983**

	1984	1983
<i>Balances – beginning of year</i>	\$ 6,084,604	\$ 7,737,573
Excess of Revenues Over Operating Expenses for the Years Ended December 31, 1984 and 1983	4,817,821	4,697,438
Totals	\$10,902,425	\$12,435,011

Disbursements

Redemption of Bonds	\$ 2,777,975	\$ 2,935,595
Payment of Bond Interest		
Interest Dates	731,833	871,911
Retirement Dates	39,293	40,988
Replacement Reserve Expenditures	874,002	2,501,913
Total Disbursements	\$ 4,423,103	\$ 6,350,407
Balances – end of year	\$ 6,479,322	\$ 6,084,604

MASSACHUSETTS TURNPIKE AUTHORITY
SUMMARY OF REVENUE BONDS ISSUED, RETIRED AND OUTSTANDING
FISCAL YEAR ENDED DECEMBER 31, 1984



Schedule A

	Original Amount Authorized And Issued Prior to 1984	Acquired and Cancelled in Prior Years	Amount Outstanding 1/1/84	Issuance of Series B Refunding Bonds (Note 10)	Revenue Bonds Retired in 1984	Amount Outstanding 12/31/84
Massachusetts Turnpike 1954 Revenue Bonds Due 01/01/2002 3.3%	\$239,000,000	\$239,000,000	\$	\$	\$	\$
1962 Revenue Bonds Due 01/01/2002 Series A - 4.75%	100,000,000		100,000,000			100,000,000
Series A - 4.15%	38,000,000		38,000,000			38,000,000
Series B - 4%-5%	80,000,000		80,000,000	(80,000,000)		
1968 Revenue Bonds Due 05/01/2008 5.25%	15,000,000	15,000,000				
1984 Refunding Bonds Due 01/01/2002 Series B - 5.0%				107,600,000	27,923,885	79,676,115
Total Massachusetts Turnpike	\$472,000,000	\$254,000,000	\$218,000,000	\$27,600,000	\$27,923,885	\$217,676,115
Callahan-Sumner Tunnels 1959 Revenue Bonds Due 04/01/1999 4.75%	\$52,800,000	\$36,332,000	\$16,468,000		\$2,899,000	\$13,569,000
4.25%	1,600,000	1,600,000				
Total Callahan-Sumner Tunnels	\$54,400,000	\$37,932,000	\$16,468,000		\$2,899,000	\$13,569,000
Total Authority	\$526,400,000	\$291,932,000	\$234,468,000	\$27,600,000	\$30,822,885	\$231,245,115

The Accompanying Footnotes are an Integral Part of these Combined Statements

MASSACHUSETTS TURNPIKE AUTHORITY
COMBINED REVENUES, OPERATING EXPENSES
AND BOND INTEREST REQUIREMENTS
FOR THE YEARS ENDED DECEMBER 31, 1984 and 1983



Revenues, Operating Expenses, and Net Revenues

	Gross Revenues		Operating Expenses		Net Revenues	
	1984	1983	1984	1983	1984	1983
Massachusetts Turnpike	\$84,448,187	\$78,331,697	\$30,618,124	\$27,983,292	\$53,830,063	\$50,348,405
Callahan-Sumner Tunnels	9,768,390	9,392,916	4,950,569	4,695,478	4,817,821	4,697,438
Totals	\$94,216,577	\$87,724,613	\$35,568,693	\$32,678,770	\$58,647,884	\$55,045,843

	Net Revenues		Interest Requirement		Percentage of Interest Earned	
	1984	1983	1984	1983	1984	1983
Massachusetts Turnpike	\$53,830,063	\$50,348,405	\$10,970,310	\$10,413,435	490.69	483.49
Callahan-Sumner Tunnels	4,817,821	4,697,438	729,877	869,821	660.09	540.05
Totals	\$58,647,884	\$55,045,843	\$11,700,187	\$11,283,256	501.26	487.85

The Accompanying Footnotes are an Integral Part of these Combined Statements

NOTES TO COMBINED FINANCIAL STATEMENTS

1 - General

In fiscal year 1984 the Authority operated two separate and financially distinct facilities, i.e., the Massachusetts Turnpike and the Callahan-Sumner Tunnels. These facilities were financed by means of revenue bond issues totalling \$554,000,000. Neither the faith and credit nor the taxing power of the Commonwealth of Massachusetts or of any political subdivision thereof was pledged to the payment of the principal or interest on the bonds. The funds providing for the maintenance, operation and policing of these facilities, as well as principal and interest payments on bond issues, were derived from tolls and other revenues.

2 - The Enabling Act

By Chapter 354 of the Acts of 1952 of the Commonwealth of Massachusetts, the Massachusetts Turnpike Authority was duly created a body politic and corporate and a public instrumentality of the Commonwealth of Massachusetts and was authorized and empowered to construct, maintain, repair and operate a toll express highway, known as the "Massachusetts Turnpike." Chapter 598 of the Acts of 1958 authorized and empowered the Massachusetts Turnpike Authority to acquire from the city of Boston the Sumner Tunnel and to construct and operate an additional vehicular tunnel between Boston proper and East Boston (known as the Callahan Tunnel).

3 - Summary of Significant Accounting Policies

a) General Accounting Practices

All accounts and records of the Authority are maintained in accordance with accounting practices consistent with the provisions of the following trust agreements: The Supplemental Trust Agreement dated as of January 1, 1962 relating to the Massachusetts Turnpike and Trust Agreement dated as of April 1, 1959, relating to the Callahan-Sumner Tunnels. As a result of the terms of the bond resolutions and the related interpretation thereof, the Authority's accounting practices differ in certain respects from generally accepted accounting principles but are in accordance with accounting practices followed by similar entities.

b) Combined Financial Statements

In addition to the financial statements presented for each of the two financially distinct facilities, the Authority, as a matter of policy and public information, also presents in its Annual Report financial statements reflecting the combined financial condition of the Massachusetts Turnpike and the Callahan-Sumner Tunnels.

c) The Fiscal Year

The Authority's fiscal year is the calendar year.

d) Method of Accounting

The funds and accounts of the Authority are maintained on the accrual basis except for payments of bond interest paid out of the Sinking Fund Bond Interest Account on the cash basis.

e) Inventories

Inventories consist primarily of sodium chloride, calcium chloride, sand, bulk gasoline, and highway guardrail. Inventories are valued at cost utilizing the FIFO method.

f) Cost of Projects

The cost of Authority projects includes all costs for acquisition and construction, legal expenses and fees, financing charges, preparation and issuance of bonds, and all other items of expense defined and authorized in the trust agreements.

g) Revenues

All revenues received by the Authority are deposited with the First National Bank of Boston, Trustee (Bank of Boston) or other authorized bank depositories, and are held in trust and applied in accordance with the provisions of the trust agreements. All revenues deposited with the Trustee, or any other depository, are continuously secured for the benefit of the Authority and bondholders by marketable securities eligible as security for the deposit of trust funds and are approved and held by the Bank of Boston, Trustee. On or before the fifteenth day of each month, all monies held for the credit of the revenue funds on the last day of the preceding month, less an amount held for reserve for current expenses, are transferred by the Trustee and credited to the following accounts or funds:

1) To the Sinking Fund Bond Interest Accounts, such amounts, if any, as may be required to make the balances therein equal to the amount of interest which will become payable within the next ensuing six months on all bonds then outstanding;

NOTES TO COMBINED FINANCIAL STATEMENTS (CONT.)

2) To the Replacement Reserve Funds, such amounts, if any, as may be required to make the amount deposited in each fiscal year equal to the amounts recommended by the Consulting Engineers;

3) To the Sinking Fund Reserve Accounts, such amounts, if any, as may be required to make the amount equal to the interest reserve requirements specified in the Trust agreements;

4) To the Redemption Accounts the balance, if any, remaining after deposits made under clauses 1, 2, and 3 above.

h) Operating Expenses

The term "current expenses" (operating expenses) as defined in the trust agreements excludes any extraordinary maintenance or repair allowance for depreciation, or debt service. The trust agreements provide that the Authority will on or before the first day of each fiscal year adopt annual budgets. The annual budgets of operating expenses for fiscal year 1984 for the two facilities totaled \$35,569,700 as compared to actual expenses of \$35,568,693.

i) Replacement Reserve Funds

These funds are held for the purpose of paying for the cost of resurfacing, replacement or reconstruction, usual or extraordinary maintenance or repairs, renewals and replacements, the cost of replacing equipment, engineering expenses and premiums on insurance carried under the provisions of the trust agreements. As provided in the trust agreements, the Consulting Engineers are required annually to inspect the Authority's facilities and report to the Authority their findings and recommendations as to: a) estimate of the amount necessary for proper maintenance, repair and operation during the ensuing fiscal year, b) insurance to be carried under the provisions of the trust agreements and c) amounts to be deposited during the ensuing fiscal year to the credit of the replacement reserve funds. For fiscal year 1984, the Consulting Engineers recommended the following amounts be deposited to the two replacement funds, and such amounts were so deposited: Massachusetts Turnpike \$15,500,000, and the Callahan-Sumner Tunnels \$1,000,000.

The estimated value of contracts outstanding as of December 31, 1984 for major repairs, renewals, and replacement programs is \$11,677,612.

4 - Net Revenues and Sinking Fund Requirements

In fiscal year 1984 the Authority met the net revenue and sinking fund requirements referred to in Section 501 of the respective trust agreements.

5 - Pension Costs

By the enactment of Chapter 597 of the Acts of 1967, and acceptance thereof by the Authority, the Massachusetts Turnpike Authority Employees' Retirement System was created. Accordingly, effective July 1, 1968, employees of the Authority are entitled to retirement benefits in accordance with the provisions of the Massachusetts Contributory Retirement Law (Chapter 32 of the General Laws, Sections 1-28). Pursuant to Section 22 (7) (e) as amended, the Authority is required to pay annually to the Massachusetts Turnpike Authority Employees' Retirement System, amounts certified by the Division of Public Employees' Retirement administration (PERA) as necessary for payment of pension benefits to retired employees of the Authority and their beneficiaries and for the expenses of said system.

As of January 1, 1983 the Authority's actuarial consultant estimated the unfunded frozen actuarial liability to be \$25,846,300. By the enactment of Chapter 566 of the Acts of 1978, amending Chapter 32 of the General Laws, provision was made for the funding of the Massachusetts Turnpike Authority Employees' Retirement System. Under this Amendment, the Authority is required to fund the sum of (a) the normal pension cost for the current year, and (b) an amount sufficient to amortize unfunded past service liability prior to dissolution of the Authority.

During fiscal year 1984 \$1,944,475 was expensed to the Retirement System for the Pension and Expense Funds, and \$1,517,400 to the Pension Reserve Fund for past service liability.

NOTES TO COMBINED FINANCIAL STATEMENT (CONT.)

6 - Deferred Compensation Plan

In 1981, the Authority adopted the Massachusetts Turnpike Authority Deferred Compensation Plan (Plan), whereby an employee who elects to participate may defer the receipt of a specified amount of compensation. Such deferred compensation is payable to the participant on retirement, death, disability or financial hardship. In 1981, the Authority entered into an agreement with Aetna Life Insurance and Annuity Company to perform for the Authority certain functions in the implementation and continuing operation of the plan.

For accounting purposes the assets and liabilities of the plan are recorded at market value. As of December 31, 1984 value of the plan was \$1,206,280.

7 - Lease and Installment Purchase Commitments

The Authority has entered into the following lease and installment purchase agreements which were in full force and effect as of December 31, 1984.

a) Rental of Administrative Offices in the city of Boston for the four year period terminating June 13, 1988.

b) Installment purchases for data processing equipment - During 1978, the Authority executed amendments to the original 1971 agreement providing for certain enhancements and additions to the existing Burroughs data processing equipment, with payments amortized over a seven year period. Additionally, on December 23, 1982, the Authority entered into a five year lease purchase agreement to acquire a Sperry Univac System 80 Computer System.

c) Lease agreement providing for the rental of automatic toll collection equipment located at the Massachusetts Turnpike and the Callahan-Sumner Tunnels - The original lease agreements have been extended for a period terminating February 28, 1986 for the Massachusetts Turnpike, and May 21, 1989 for the Callahan-Sumner Tunnels.

d) On January 31, 1980, Urban Investment and Development Company entered into a lease with the Authority for ninety-nine years for the air rights over property located in the Copley Square area of Boston. The Company has constructed on the site, two hotels, retail offices, and a residential complex. The lease provides for rental payments of \$1,200,000 annually through February 15, 2002. After dissolution of the Authority any subsequent lease payments will revert to the Commonwealth of Massachusetts.

8 - Defeasance of Initial Turnpike Trust Agreement

Pursuant to and in accordance with Section 1201 of the Trust Agreement dated as of May 1, 1954, and Section 101 of the Supplemental Trust Agreement, dated as of January 1, 1962, the Bank of Boston, Trustee, on December 31, 1983, held sufficient monies in trust for payment of principal, premiums and interest on all remaining outstanding Initial Turnpike Revenue Bonds.

Also, pursuant to and in accordance with Section 1201 of the 1954 Trust Agreement, The Massachusetts Turnpike Authority issued irrevocable instructions to the Trustee to call all remaining Initial Turnpike Revenue bonds Series 1954 (3.30%) and Series 1968 (5.25%) secured by said trust agreement, effective January 31, 1984.

Having complied with the provisions of Section 1201 of the trust agreement and Section 103 of the supplemental trust agreement, the Bank of Boston, Trustee released the 1954 Trust Agreement effective December 31, 1983.

NOTES TO COMBINED FINANCIAL STATEMENT (CONT.)

9 - Restatement

Pursuant to Section 103 and 515 of the supplemental trust agreement, after the aforementioned release of the Trust Agreement dated as of May 1, 1954, effective January 1, 1984 the Boston Extension and the Initial Turnpike were combined as a single turnpike project, known as the Massachusetts Turnpike. The financial statements for fiscal year 1983 have been combined and restated to reflect the single project known as the Massachusetts Turnpike.

10 - Massachusetts Turnpike Revenue Refunding Bonds

Pursuant to Section 210 of the supplemental trust agreement, on December 30, 1983, the Authority called for refunding, effective March 1, 1984, the \$80,000,000 series B 4-5% Revenue Bonds and Authorized in replacement thereof the issuance of \$107,600,000 Series B 5% Revenue Refunding Bonds.

11 - Contingent Liabilities

The Authority is contingently liable under pending litigation and/or claims in which the Authority is the defendant. In the opinion of the Authority, the total potential liability of such actions would not materially affect its financial statements.

MASSACHUSETTS TURNPIKE AUTHORITY
MASSACHUSETTS TURNPIKE
FINANCIAL RESULTS OF OPERATION 1978-1984



	1978	1979	1980	1981	1982	1983	1984
<i>(Dollars in Thousands)</i>							
Gross Toll Revenue	\$ 46.468	\$ 46.935	\$ 58.946	\$ 62.707	\$ 65.552	\$ 70.247	\$ 75.946
Less Volume Discounts	(351)	(381)	(475)	(488)	(467)	(490)	(542)
Net Toll Revenue	\$ 46.117	\$ 46.554	\$ 58.471	\$ 62.219	\$ 65.085	\$ 69.757	\$ 75.404
Restaurant Revenue	863	870	925	963	1,018	1,080	1,150
Service Station Revenue	1,726	1,873	1,670	1,347	1,248	1,321	1,369
Miscellaneous	353	516	574	1,607	1,758	1,927	283
Income from Investments	2,548	3,166	3,484	4,632	4,274	4,246	4,548
Gross Revenues	\$ 51.607	\$ 52.979	\$ 65.124	\$ 70.768	\$ 73.383	\$ 78.331	\$ 84,448
Operating Expenses	\$ 16.747	\$ 18.166	\$ 20.496	\$ 22.977	\$ 25.835	\$ 27.983	\$ 30,618
Net Revenues	\$ 34.860	\$ 34.812	\$ 44.628	\$ 47.791	\$ 47.548	\$ 50.348	\$ 53,830
Bond Interest	\$ 13.791	\$ 13.372	\$ 12.860	\$ 12.011	\$ 11.166	\$ 10.413	\$ 10,970
Per Cent of Interest Earned	252.78	260.34	347.03	397.88	425.83	483.49	490.69
Deposits to Replacement Reserve	\$ 8,300	\$ 9,300	\$ 9,500	\$ 8,500	\$ 11,500	\$ 11,500	\$ 15,500
Balance in General Fund	\$ 20,778	\$ 21,101	\$ 20,822	\$ 20,376	\$ 20,654	\$ 20,474	\$ 10,370
Revenue Bonds							
Retired During Year	\$ 12,651	\$ 11,804	\$ 22,219	\$ 28,429	\$ 21,682	\$ 30,332	\$ 27,924
Average Price Paid	\$ 92.44	\$ 86.35	\$ 91.03	\$ 94.77	\$ 99.48	\$ 100.86	\$ 100.70
Retired to Date	\$139,534	\$151,338	\$173,557	\$201,986	\$223,668	\$254,000	\$281,924
Per Cent Retired to Date	29.6	32.1	36.8	42.8	47.4	53.8	56.4
Bonds Outstanding	\$332,466	\$320,662	\$298,443	\$270,014	\$248,332	\$218,000	\$217,676

MASSACHUSETTS TURNPIKE AUTHORITY
CLASS COMPARISON - MASSACHUSETTS TURNPIKE
JANUARY-DECEMBER 1984 VS JANUARY-DECEMBER 1983

Class Description	Transactions		Increase or (Decrease)	%	Revenue		Increase or (Decrease)	%
	1984	1983			1984	1983		
1. Passenger Vehicle or Light Truck (Taxis, Suburbans, Ambulances, Motorcycles, Hearses)	100,951,103	93,361,468	7,589,635	8.1	\$57,499,445	\$53,377,224	\$4,122,221	7.7
2. Passenger Vehicle or Light Truck with One or Two Axle Trailers	296,807	288,978	7,829	2.7	402,930	390,909	12,021	3.1
3. Trucks - Five or More Axles	3,569,745	3,179,666	390,079	12.3	10,667,243	9,563,251	1,103,992	11.5
5. Medium Trucks - Dual Tires with Two Axles	2,211,302	2,013,766	197,536	9.8	2,151,481	1,950,685	200,796	10.3
6. Trucks - Three Axles	471,604	456,805	14,799	3.2	600,173	558,917	41,256	7.4
7. Trucks - Four Axles	1,129,731	1,106,359	23,372	2.1	2,491,273	2,435,483	55,790	2.3
8. Buses	772,051	768,972	3,079	.4	766,902	776,954	(10,052)	(1.3)
9. Tandem Trailer - Units	117,238	104,523	12,715	12.2	1,366,029	1,207,068	158,961	13.2
10. Non-Revenue	475,456	464,643	10,813	2.3				.0
Totals	109,995,037	101,745,180	8,249,857	8.1	\$75,945,476	\$70,260,491	\$5,684,985	8.1

MASSACHUSETTS TURNPIKE AUTHORITY
CALLAHAN-SUMNER TUNNELS
FINANCIAL RESULTS OF OPERATION 1978-1984



	1978	1979	1980	1981	1982	1983	1984
<i>(Dollars in Thousands)</i>							
Net Toll Revenue	\$ 6,575	\$ 7,044	\$ 7,894	\$ 8,215	\$ 8,293	\$ 8,566	\$ 8,973
Rental & Miscellaneous Income	61	66	61	81	83	73	69
Income from Investments	331	481	510	650	788	754	727
Gross Revenues	\$ 6,967	\$ 7,591	\$ 8,465	\$ 8,946	\$ 9,164	\$ 9,393	\$ 9,769
Operating Expenses	\$ 2,961	\$ 3,037	\$ 3,573	\$ 4,056	\$ 4,586	\$ 4,695	\$ 4,951
Net Revenues	\$ 4,006	\$ 4,554	\$ 4,892	\$ 4,890	\$ 4,579	\$ 4,698	\$ 4,818
Bond Interest	\$ 1,524	\$ 1,407	\$ 1,270	\$ 1,102	\$ 979	\$ 870	\$ 730
Per Cent of Interest Earned	262.83	323.70	385.27	443.91	467.86	540.05	660.09
Deposits to Replacement Reserve	\$ 400	\$ 500	\$ 600	\$ 500	\$ 2,000	\$ 900	\$ 1,000
Revenue Bonds							
Retired During Year	\$ 2,288	\$ 2,570	\$ 3,517	\$ 3,748	\$ 1,529	\$ 3,095	\$ 2,899
Average Price Paid	\$ 94.19	\$ 92.95	\$ 83.44	\$ 83.99	\$ 88.65	\$ 95.37	\$ 95.83
Retired to Date	\$23,473	\$26,043	\$29,560	\$33,308	\$34,837	\$37,932	\$40,831
Per Cent Retired to Date	43.1	47.9	54.3	61.2	64.0	70.0	75.1
Bonds Outstanding	\$30,927	\$28,357	\$24,840	\$21,092	\$19,563	\$16,468	\$13,569

MASSACHUSETTS TURNPIKE AUTHORITY
CLASS COMPARISON - CALLAHAN-SUMNER TUNNELS
JANUARY-DECEMBER 1984 VS JANUARY-DECEMBER 1983



Class Description	Transactions		Increase or (Decrease)	%	Revenue		Increase or (Decrease)	%
	1984	1983			1984	1983		
1. Passenger Car, Taxi, Light Truck, Ambulance, Motorcycle, Hearse, Car Pools	13,717,170	13,238,832	478,338	3.6	\$8,224,762	\$7,876,185	\$348,577	4.4
2. Passenger Car with Single Axle Trailer, Two Axle Single Tire Truck with Single-Axle Trailer	3,976	3,955	21	.5	3,181	3,169	12	.4
4. Trucks - Five or More Axles	15,091	10,615	4,476	42.2	16,600	11,759	4,841	41.2
5. Two Axle Dual-Tire Truck	203,914	190,130	13,784	7.2	163,131	150,332	12,799	8.5
6. Three Axle Truck, Two Axle Dual-Tire Truck with Single Axle Trailer	19,508	22,773	(3,265)	(14.3)	17,557	20,526	(2,969)	(14.5)
7. Four Axle Truck with or without Trailer, Class 1 Vehicle with Two-Axle Trailer	35,966	35,868	98	.3	35,966	35,835	131	.4
8. Bus	137,516	124,586	12,930	10.4	82,513	74,052	8,461	11.4
9. Commuter	1,119,425	1,009,518	109,907	10.9	447,770	399,136	48,634	12.2
10. Non-Revenue	101,306	101,308	(2)	.0				.0
Totals	15,353,872	14,737,585	616,287	4.2	\$8,991,480	\$8,570,994	\$420,486	4.9

Note: On May 2, 1983, the Authority instituted a one way toll collection system for the Callahan and Sumner Tunnels. Therefore, the 1983 transactions have been restated for comparative purposes.

MASSACHUSETTS TURNPIKE AUTHORITY
COMPARISON OF INTERCHANGE TRANSACTIONS
JANUARY-DECEMBER 1984 VS JANUARY-DECEMBER 1983



Ticket Controlled Section Interchange	No.	Entrance		Increase or (Decrease)	%	Exit		Increase or (Decrease)	%
		1984	1983			1984	1983		
W. Stockbridge	1.	2,290,968	2,121,405	169,563	8.0	2,249,907	2,085,053	164,854	7.9
Lee	2.	1,167,134	1,055,798	111,336	10.5	1,199,841	1,090,880	108,961	10.0
Westfield	3.	1,619,368	1,473,368	146,000	9.9	1,649,900	1,499,467	150,433	10.0
W. Springfield	4.	2,848,172	2,640,402	207,770	7.9	2,911,615	2,696,095	215,520	8.0
Chicopee	5.	1,470,176	1,338,343	131,833	9.9	1,383,203	1,249,709	133,494	10.7
Springfield	6.	2,263,672	2,108,596	155,076	7.4	2,335,877	2,156,947	178,930	8.3
Ludlow	7.	1,246,354	1,129,534	116,820	10.3	1,190,876	1,083,076	107,800	10.0
Palmer	8.	1,492,808	1,378,211	114,597	8.3	1,448,365	1,340,143	108,222	8.1
Sturbridge	9.	5,524,355	5,260,181	264,174	5.0	5,538,432	5,274,982	263,450	5.0
Auburn	10.	4,512,735	4,189,042	323,693	7.7	4,424,807	4,125,971	298,836	7.2
Millbury	11.	1,244,575	1,092,204	152,371	14.0	1,375,746	1,213,376	162,370	13.4
Westborough	11.A	4,725,970	4,070,057	655,913	16.1	4,542,128	3,894,541	647,587	16.6
Framingham	12.	3,213,291	2,950,884	262,407	8.9	3,408,659	3,138,089	270,570	8.6
Natick	13.	5,825,287	5,442,653	382,634	7.0	5,906,112	5,479,150	426,962	7.8
Weston	14.	7,045,028	6,533,678	511,350	7.8	6,755,402	6,328,281	427,121	6.7
Newton	15.	7,230,122	6,699,451	530,671	7.9	7,399,145	6,828,047	571,098	8.4
Total Ticket Controlled Section		53,720,015	49,483,807	4,236,208	8.6	53,720,015	49,483,807	4,236,208	8.6
Barrier Controlled Section									
Newton - 128	15.					13,049,313	11,834,219	1,215,094	10.3
West Newton	16.					3,176,342	2,931,170	245,172	8.4
Allston									
Off East - On West	18.					9,247,254	8,600,100	647,154	7.5
Thru Traffic	19.					22,744,487	21,037,177	1,707,310	8.1
Off West - On East	20.					8,057,626	7,858,707	198,919	2.5
Total Barrier Controlled Section						56,275,022	52,261,373	4,013,649	7.7
Totals Massachusetts Turnpike						109,995,037	101,745,180	8,249,857	8.1

MASSACHUSETTS TURNPIKE AUTHORITY
COMPARISON OF INTERCHANGE REVENUE
JANUARY-DECEMBER 1984 VS JANUARY-DECEMBER 1983



Ticket Controlled Section Interchange	No.	Revenue		Increase or (Decrease)	%
		1984	1983		
W. Stockbridge	1.	\$6,794,289	\$6,283,186	\$511,103	8.1
Lee	2.	1,857,657	1,666,402	191,255	11.5
Westfield	3.	1,039,738	955,342	84,396	8.8
W. Springfield	4.	2,926,746	2,707,890	218,856	8.1
Chicopee	5.	842,402	749,222	93,180	12.4
Springfield	6.	2,909,013	2,690,744	218,269	8.1
Ludlow	7.	841,652	783,810	57,842	7.4
Palmer	8.	1,114,679	1,032,737	81,942	7.9
Sturbridge	9.	6,707,475	6,423,411	284,064	4.4
Auburn	10.	5,035,108	4,663,056	372,052	8.0
Millbury	11.	1,328,699	1,159,179	169,520	14.6
Westborough	11.A	4,795,625	4,109,085	686,540	16.7
Framingham	12.	1,953,949	1,776,056	177,893	10.0
Natick	13.	2,811,369	2,610,266	201,103	7.7
Weston	14.	6,768,838	6,376,195	392,643	6.2
Newton	15.	8,055,006	7,557,923	497,083	6.6
Total Ticket Controlled Section		\$55,782,245	\$51,544,504	\$4,237,741	8.2
Barrier Controlled Section					
Newton - 128	15.	\$4,642,169	\$4,201,387	\$440,782	10.5
West Newton Allston	16.	631,988	582,290	49,698	8.5
Off East - On West	18.	2,430,271	2,255,772	174,499	7.7
Thru Traffic	19.	9,503,371	8,787,264	716,107	8.1
Off West - On East	20.	2,904,081	2,839,023	65,058	2.3
Total Barrier Controlled Section		\$20,111,880	\$18,665,736	\$1,446,144	7.7
Car Pool Program		\$ 51,351	\$50,251	\$ 1,100	2.2
Totals Massachusetts Turnpike		\$75,945,476	\$70,260,491	\$5,684,985	8.1

February 28, 1985

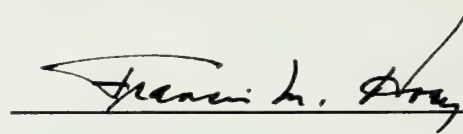
In accordance with the provisions of section 20, subsection 5, paragraph (i) of Chapter 32 of the General Laws, we are pleased to submit herewith, for publication in the Massachusetts Turnpike Authority Annual Report to the Governor and General Court, a copy of the report of the financial condition of the Massachusetts Turnpike Authority Employees' Retirement System as of December 31, 1984.



S. J. Britton
Ex-officio-Chairman



J. Joseph Maloney
Appointed Member



Francis M. Hoey
Elected Member

MASSACHUSETTS TURNPIKE AUTHORITY
EMPLOYEES' RETIREMENT SYSTEM
STATEMENT OF CONDITION
AS OF DECEMBER 31, 1984



Assets		1984	1983
<i>(unaudited)*</i>			
Cash in Bank		\$ 1,086	\$ 1,191
Investments:			
Government bonds		4,400,506	4,296,842
Railroad equipment trust certificates		2,101,338	1,484,723
Public Utility bonds		2,805,716	2,255,413
Bank & industrial notes and bonds		3,105,216	2,841,024
Telephone bonds		7,265,319	5,505,886
Mortgage loan pass-thru certificates		211,038	293,265
Bank stocks		307,390	100,000
Short-term investments		4,650,547	3,671,347
Term deposits			20,000
Guaranteed interest annuity contracts		1,000,000	
Accrued interest on investments		682,607	526,685
Due for deductions other sources		112	
Due for Workers' compensation credits		5,762	
Total Assets		\$26,536,637	\$20,996,376

Funds and Liabilities

Annuity Savings Fund	\$ 8,560,515	\$ 7,495,456
Annuity Reserve Fund	1,874,332	1,736,044
Pension Fund	4,540,071	4,432,573
Expense Fund	73,321	80,083
Pension Reserve Fund	11,488,378	7,252,220
Re-deposit of regular deductions	20	
Total Funds and Liabilities	\$26,536,637	\$20,996,376

**See Notes To Financial Statements*

MASSACHUSETTS TURNPIKE AUTHORITY
EMPLOYEES' RETIREMENT SYSTEM
STATEMENT OF CASH
AS OF DECEMBER 31, 1984



<i>Assets</i>		1984	1983
(unaudited)*	Cash in Bank, January 1	\$ 1,191	\$ 655
	Short-term investments, available cash	3,671,347	2,489,748
	Total cash available, January 1	\$3,672,538	\$2,490,403
<i>Receipts</i>			
	Members' contributions	\$1,038,939	\$ 991,089
	Transfers of members' accounts from other systems	3,617	11,984
	Pension reimbursements from other systems	70,637	57,625
	Massachusetts Turnpike Authority:		
	Pension Fund appropriation	1,857,570	1,650,000
	Expense Fund appropriation	84,700	89,500
	Pension Reserve Fund appropriation	1,872,400	540,000
	Workers' Compensation credits	2,205	215
	Redeposit of retirement allowance	468	655
	Sale or maturity of investments	751,210	1,242,465
	Net gain on sale or maturity of investments	16,849	5,143
	Return of principal on mortgage loan pass-through certificates	82,228	206,679
	Investment income	2,501,888	1,959,623
	Total Receipts	\$8,282,711	\$6,754,978
<i>Disbursements</i>			
	Annuity payments	\$ 165,035	\$ 151,887
	Pension payments	1,804,565	1,718,897
	Pension reimbursements to other systems	5,723	9,272
	Refunds to beneficiaries:		
	Option (b) annuity payments	28,654	24,964
	Contributions of deceased employees		19,560
	Refunds to members inactive	109,569	60,119
	Transfers of members' accounts to other systems	5,887	28,208
	Administrative expenses	91,387	79,912
	Investments	4,998,616	3,434,469
	Accrued interest purchased	94,180	45,555
	Total Disbursements	\$7,303,616	\$5,572,843
	Balance, December 31, 1984 and 1983	\$4,651,633	\$3,672,538
	Cash in bank, December 31, 1984 and 1983	\$ 1,086	\$ 1,191
	Short-term investments, available cash	\$4,650,547	\$3,671,347
	Balance December 31, 1984 and 1983	\$4,651,633	\$3,672,538

*See Notes To Financial Statements

EMPLOYEE'S RETIREMENT SYSTEM

The Massachusetts Turnpike Authority Employees' Retirement System (the System) was established as a contributory retirement system subject to the provisions of Massachusetts General Laws, Chapter 32, sections 1-28, by the enactment of Chapter 597 of the Acts of 1967 and its acceptance by the Massachusetts Turnpike Authority. The operative date was July 1, 1968.

The System is managed by a board of three members, viz: S.J. Britton, secretary-treasurer of the Authority, who is a member ex-officio and Chairman; Attorney J. Joseph Maloney, appointed member; and Francis M. Hoey, elected member, who is serving his sixth consecutive term following re-election by the membership in 1982.

Provision was made for funding of past service liability of the System by the enactment of Chapter 566 of the Acts of 1978. Under this amendment, the Massachusetts Turnpike Authority is required to fund and pay to the System the sum of (a) the normal pension cost for the current year, and (b) an amount sufficient to amortize unfunded past service liability prior to dissolution of the Authority. All such required payments for the first statutory period 1978 through 1983 were transferred and credited to the System.

The enactment in December, 1983 of Chapter 661 of the Acts of 1983 significantly amended the provisions of Chapter 32, sections 1-28, relative to the administration, funding and investment policies of the public employee retirement systems in the Commonwealth of Massachusetts. The following is a brief summary of some of the major provisions in this new law: 1.) established a Pension Investment Advisory unit within the Division of Public Employee Retirement Administration; 2.) established the Pension Reserve Investment Management (PRIM) Board and the Pension Reserve Investment Trust (PRIT) Fund; 3.) limited the interest paid to members of a retirement system who voluntarily withdraw from service and who seek a return of accumulated total deductions; and 4.) required deduction of 8% from regular compensation for employees who commence service on or after January 1, 1984.

In addition to the foregoing, Chapter 661 of the Acts of 1983 requires each retirement system to establish a pension reserve fund for the purpose of meeting unfunded pension liabilities and, by various changes in existing law, made provision for certain internal transfers to the fund in addition to any direct appropriations by applicable legislative body. In accordance with this statutory requirement, the Board dissolved the Past Service Liability Fund, which was established on the books of the System on October 19, 1978, and transferred fund assets to the System's newly-established Pension Reserve Fund.

ACCOUNTING POLICIES

The accounting policies of the System follow the principles and practices for public employee contributory retirement systems promulgated by the Commonwealth of Massachusetts, Division of Insurance, pursuant to Chapter 32, section 21 of the Massachusetts General Laws.

Prior to January 1, 1983, records of the System had been audited periodically by the Commonwealth of Massachusetts, Division of Insurance. Pursuant to Chapter 630 of the Acts of 1982, supervision of the public employee retirement systems in the Commonwealth subject to Chapter 32, including the conduct of audits, was transferred from the Division of Insurance to the Division of Public Employee Retirement Administration (PERA). The last such audit of the records of the System for the year 1983 was conducted by PERA in October, 1984. Additionally, in August, 1978, the Board authorized an audit

by an independent accounting firm of refunds of retirement contributions to former employees of the Authority. This audit was completed in January, 1979 and included the ten-year period from July 1, 1968 through June 30, 1978.

In 1978, a procedure was established by the Board to periodically verify that persons entitled to receive retirement and survivorship allowances are living and that payments are being made properly. The fourth such verification was completed in 1983.

Direct deposit of retirement allowance payments to individual bank accounts of retirees and beneficiaries numbered 153 in December, 1984, representing 35% of the total number of recipients.

INVESTMENTS

Assets of the System are invested pursuant to the provisions and limitations of Chapter 32, section 23. Investment earnings for the year 1984 totalled \$2,781,818 representing a rate of return of 11.70% of the mean ledger assets of the System. Of this amount, \$952,852 was attributable to investments of the Pension Reserve Fund (formerly the Past Service Liability Fund), and such amount was credited to that fund on December 31, 1984. The balance of \$1,828,966 investment earnings was applied to the funds of the System in accordance with the statute as follows:

Annuity Savings Fund	\$ 400,454
Annuity Reserve Fund	52,796
Pension Reserve Fund	1,375,716
Total	\$1,828,966

In 1982, the Board voted to participate to the extent of \$500,000 with other public retirement systems in Massachusetts in a mortgage loan pass-through certificate program, yielding 15.25% to the system. The program made funds available to Massachusetts residents for home mortgages at a fixed rate through participating local banks throughout the Commonwealth.

BENEFITS

During 1984, 20 employees were retired by the Board, bringing to 509 the number of employees who have been retired since the inception of the System in 1968. Retirement allowances totalling \$1,969,600 were paid in 1984 to retirees and beneficiaries of deceased members of the System. Of this amount, \$165,035 were annuity payments (employee contributions and investment

earnings thereon), and \$1,804,565 were pension payments (contributions by the Massachusetts Turnpike Authority). Pension reimbursements totalling \$70,637 were received from other systems and reimbursements of \$5,723 were paid to other systems. Recipients of retirement benefits as of December 31, 1984 numbered 345 retirees and 92 survivors and beneficiaries.



Massachusetts Turnpike Authority

GOVERNMENT DOCUMENT
COLLECTION

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Annual Report 1985

MASSACHUSETTS TURNPIKE AUTHORITY

The Massachusetts Turnpike Authority was created by Chapter 354 of the Acts of 1952 as an autonomous instrumentality of the Commonwealth to discharge the public functions which have, from time to time, been delegated to it by the Legislature. The Authority acts through a board of three members, one of whom is designated as Chairman, that are appointed by the Governor for terms of eight years.

The Authority operates two separate and financially distinct facilities, i.e., the Massachusetts Turnpike and the Callahan-Sumner Tunnels. The facilities were financed by means of three revenue bond issues totalling over five hundred million dollars. Neither the faith and credit nor the taxing power of the Commonwealth of Massachusetts or of any political subdivision thereof is pledged to the payment of the principal of or interest of the bonds. The funds providing for the maintenance, operation and policing of these facilities, as well as principal and interest payments on the bond issues, are derived solely from tolls and other revenues generated by users.

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MASSACHUSETTS TURNPIKE AUTHORITY

BOARD MEMBERS



John T. Driscoll
Chairman



Edward T. Hanley
Vice Chairman



Anne H. McHugh
Member

MASSACHUSETTS TURNPIKE AUTHORITY

STAFF MEMBERS

Top Row

S.J. Britton
Secretary-Treasurer
J.W. Francis
Director of Personnel
R.J. Fontana
Resident Counsel



Second Row

W.P. Driscoll
Superintendent of Tunnels
D.R. Nagle
Director of Real Estate
E.M. King
Director of Community Relations
Felix H. Blackburn
Equal Employment Opportunity Officer



Third Row

M.C. Crain
Chief Engineer
J.T. Dias
Maintenance Engineer
H. Finn
Superintendent of Toll Collection
A.T. McCann
Equal Employment Opportunity Officer
Retired 1985



Bottom Row

J.N. Grim
Assistant Chief Engineer
R.A. Morse, Jr.
Commander, Troop 'E' Mass. State Police
H. Healy
Secretary to Chairman



Staff Members Not Pictured

P.F. Byron
Assistant Secretary
Assistant Treasurer
W.M. Coffill
Manager of Computer Services
K.R. Lewis
Controller
G.F. Coughlin
Secretary to Retirement Board
William D. Crowther
Assistant Superintendent of Tunnels

His Excellency Michael S. Dukakis
Governor of the Commonwealth of Massachusetts
and
Members of the Senate and House of Representatives
State House
Boston, Massachusetts 02133

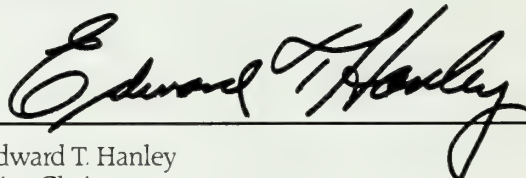
His Excellency and Honorable Members

In accordance with this Authority's enabling legislation, section 15, Chapter 354, Acts of 1952, as amended, we are pleased to submit herewith the Thirty-Second Annual Report of the Massachusetts Turnpike Authority covering the 1985 operation of the Massachusetts Turnpike and the Callahan-Sumner Tunnels.

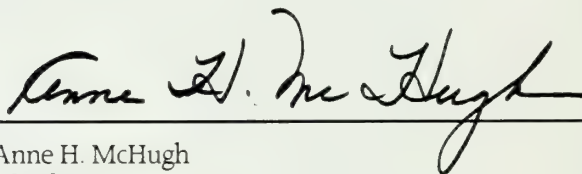
Further, in accordance with the provisions of Chapter 32, section 20, subsection 5, paragraph (i) of the General Laws, we are also submitting herein the report of the financial condition of the Massachusetts Turnpike Authority Employees' Retirement System as of December 31, 1985.



John T. Driscoll
Chairman



Edward T. Hanley
Vice-Chairman



Anne H. McHugh
Member

FINANCIAL HIGHLIGHTS 1985

The year 1985 was one of significant financial accomplishment for the Massachusetts Turnpike Authority.

Gross revenues of the Massachusetts Turnpike increased by \$3,870,000, or by 4.6%, i.e., from \$84,448,000 in 1984 to \$88,318,000 in 1985. Gross revenues of the Callahan-Sumner Tunnels increased by \$198,000, or by 2.0%, i.e., from \$9,768,000 in 1984 to \$9,966,000 in 1985. The Authority's total operating expenses increased by \$1,820,039, or by 5.1% over 1984 expenses. Combined net revenues amounting to \$60,895,597 was \$2,247,713, or 3.8%, greater than in 1984.

A total of \$18,032,560 principal amount Series B Revenue Refunding bonds were retired in 1985, leaving a balance of \$61,643,555 principal amount outstanding as of December 31, 1985. The average purchase price of Series B bonds retired in 1985 was 99.301.

A total of \$2,884,000 principal amount Callahan-Sumner 4.75% Series 1959 Tunnel Revenue bonds were retired during 1985. The average purchase price of Callahan-Sumner Tunnels bonds retired in 1985 was 97.410. Outstanding Callahan-Sumner Tunnels bonds have been reduced from \$54,400,000 to \$10,685,000, or by 80.4%, as of December 31, 1985.

FINANCIAL HIGHLIGHTS 1985

REPLACEMENT RESERVE PROJECTS

Construction work on the turnpike and tunnel facilities essentially involved repairing and rebuilding the infrastructure. Projects having a value of \$21 million were awarded in 1985 under the Replacement Reserve Program. The program included \$12 million for bridge repairs, \$4 million for roadway and ramp improvements, and nearly \$5 million for improvements to interchange toll plazas.

Bridge Repairs

Four contracts were awarded for the replacement of seven bridge decks over local roads between Interchange 9, in Sturbridge, and Interchange 11, in Millbury. These contracts required completion over a two-year period with the work being accomplished on one roadway per year. The decks were reconstructed utilizing on-site placement of conventional concrete, epoxy coated top mat of reinforcing steel, membrane waterproofing and 1-1/2 inch overlay of bituminous concrete wearing surface. The existing three lanes for traffic were maintained by providing one contra-flow lane on the opposite roadway and two lanes passing the work site. Temporary concrete safety barriers were used to separate the contra-flow lane.

A two-year period contract was also awarded for widening and replacing the deck of the bridge on the ramp over Route 30 carrying traffic entering the Turnpike from Interstate Route 95 southbound, in Weston. In order to maintain the two lanes required for traffic and avoid severe back-ups on Route 95, it was necessary to widen the bridge by one lane prior to replacing the existing concrete deck. The bridge widening also will provide a safer merge of traffic entering the ramp from River Street. The deck of this structure is to be reconstructed with conventional materials. The widening construction involves new bridge substructure and superstructure elements.

Deck repairs on the bridge that carries Commonwealth Avenue over the turnpike and railroad, in Boston, began in late 1985 and is scheduled for completion in 1986. Heavy local traffic, a signalized intersection with the Boston University Bridge over the Charles River, and two MBTA transit rail tracks on the deck dictated innovative construction techniques. Repairs consist of replacing 4 inches of concrete and the top mat of reinforcing steel with new steel and

methyl methacrylate polymer (MMA). The MMA material, which achieves 4,000 pounds per square inch compressive strength in one hour, is used to avoid expensive traffic protection and enables all lanes to be open for traffic during the evening rush hour.

Other bridge repair projects included bridge painting, replacing deteriorated substructure concrete, modifications to a drainage system of a major bridge, and bridge joint repairs and replacement.

Roadway Improvements

A 9.8 mile section of the turnpike in Wilbraham, Palmer, Brimfield and Warren was resurfaced in 1985. Contract items of work included pavement repairs preparatory to the resurfacing with a 1-1/2 inch thick bituminous concrete overlay, drainage repairs, and replacement of the old cable type highway guard with new steel beam. Designed to meet the problem of high speed snow plowing, new type pavement reflectors, depressed in the pavement to define the lanes of traffic, were installed as an additional improvement for safety.

At the Allston interchange complex (Interchanges 18, 19 and 20) in Boston, the ramps and the tandem-trailer break up area were overlaid with 1-1/2 inches of bituminous concrete pavement. Repairs were made to the ramp median islands and drop inlets. Several safety improvements were also implemented.

A contract was awarded for replacing a deteriorated metal bin retaining wall at the easterly end of the viaduct, in Boston. This wall which supports the turnpike roadway adjacent to railroad tracks, is being replaced with a gravity retaining wall system consisting of precast, interlocking, reinforced concrete modules.

At Interchange 2, in Lee, and Interchange 5, in Chicopee, the old painted highway guard was replaced with new galvanized steel beam components.

Repairs were made to the turnpike roadway pavement between Interchange 17, in Newton, and the westerly portal of the Prudential tunnel. It is anticipated that this 4 mile section of four lane turnpike directional roadways will be overlaid with 1-1/2 inches of bituminous concrete in 1986.

FINANCIAL HIGHLIGHTS 1985

REPLACEMENT RESERVE PROJECTS (CONT.)

Toll Plaza Improvements

Certain toll plazas were expanded to improve traffic flow through interchanges where delays were encountered during peak periods. The congestion is attributed to the general increase of traffic as well as development in these areas. Contracts that will carry into 1986 were awarded to provide additional toll lanes at interchanges in Westfield, West Springfield, Chicopee (two interchanges), Palmer, Auburn, Millbury, Westborough and Natick. Seven temporary wooden toll booths are being replaced with permanent steel booths in lanes which have been in constant use. Other toll lanes with wooden booths which are occasionally used are being replaced with prefabricated steel booths.

The existing electrical systems at all toll plazas have been replaced with new transformers, switchgear, wiring, and emergency generators. Electrical heaters have replaced the old blower equipment in all toll booths in order to accommodate the new toll collection system equipment scheduled to be installed in 1986.

Contracts have been awarded for replacing the counters in all toll booths in anticipation of the new toll equipment. These contracts also provided general renovations including painting the toll booth interiors.

Callahan-Sumner Tunnels

The Authority contracted with Commuter Communications, Inc. of Boston to rebroadcast all local A.M. radio stations inside the Callahan-Sumner Tunnels.

The radio facility is divided into two zones in each tunnel. Zone A extends from the entrance portal to a point 1,500 feet inside the tunnel and will broadcast public service messages. Zone B will begin at this point and extend to the exit

portal of each tunnel. In Zone B, the motorist will receive, unaltered, the signals of local A.M. Radio Stations.

Commuter Communications, Inc. also broadcasts regular programming, commercial messages and public service messages on two live dedicated stations extending the entire length of both tunnels.

Normal broadcasting may be preempted for live emergency messages from the tunnel control room to the motorist listening to their car radios.

Toll Collection Equipment

A contract awarded in 1984 which provided for design, manufacture and installation of an electronic, computerized toll collection system for the Massachusetts Turnpike and Callahan-Sumner Tunnels has progressed through design. Equipment is being manufactured for installation in late 1986. This will provide a modern toll collection system to replace the electro-mechanical equipment initially installed. The new system will employ modern digital electronic technology at the toll plazas to process the daily toll transactions.

Rehabilitation of Stormwater Pump Stations

A total of nine large-capacity pumps, purchased under separate contract, were installed at the three major pump stations that discharge storm water into the Charles River and Fort Point Channel. This drainage is collected from the depressed roadway section of the turnpike in Boston. This project also included other rehabilitative work including replacement of check valves.

In addition, the installation of submersible sump pumps and screens and related work, started in 1984, was completed in 1985 at these pump stations.

HIGHLIGHTS 1985

SAFETY RECORD

In 1985 the activities of the State Police assigned to Troop "E" on the Massachusetts Turnpike produced the safest traffic year in the Authority's history.

During the year the number of vehicular miles traveled increased. The number of detours and construction projects were greater than in 1984. The number of motor vehicle accidents were up and more people were injured as a result of these accidents. Despite all of the above, the efforts of the State Police resulted in a reduced fatality rate. The rate for 1985 is .38, the next best year was in 1983 which was .49.

25,217 motorists were assisted on the turnpike during 1985.

State Police assigned to Troop "E" continued their enforcement of the national 55 mph speed limit in an effort to educate motorists to



strictly adhere to this speed limit. The number of motor vehicle violations issued in 1985 was 48,127. The drinking driver continues to be a prime concern to the State Police, as well as to the Authority. Troop E officers arrested 264 motorist for driving while under the influence of alcohol.

CAR POOLING

The Authority's C.P.I.D. (Car Pool Program) continues to be a success. Commuters, who form car pools of at least 3 persons, travel the turn-

pike at a considerably lower toll rate.

During 1985, nearly 1000 car pool groups saved \$170,000 in toll revenue.

MAINTENANCE

Snow and Ice Control

Maintenance crews responded to an average of 17 storms during the winter of 1984-85, varying in number from 23 in the Berkshires to 13 in Boston. Sleet or ice storms accounted for an average number of 5 along the turnpike. Sensitive to environmental concerns, the winter maintenance crews were able to limit the use of deicing chemicals to 28,000 tons of salt by careful and prudent spreading procedures. An average of 47 inches of snow and ice accumulation occurred during this winter season. The Maintenance Department employs some 99 pieces of its own snow fighting equipment in its snow and ice control operations.

Motorized Equipment

As part of its equipment replacement program, the Maintenance Department acquired 25 current model diesel powered trucks equipped with snow plow and spreading accessories. Twenty-three 1974 model trucks also equipped with plows and spreaders were, in turn, sold at the first equipment auction held on October 10, 1985, at the Authority's Weston Maintenance Center. Based on the proceeds received, the auction was deemed successful.

Beautification

In connection with the Commonwealth's "Spirit of Massachusetts" tourism campaign and in support of the Governor's Beautification Program, the Maintenance Department has cooperated in several areas of highway maintenance functions including anti-litter efforts; removal of graffiti; establishment of new plantings, including wildflowers, in high visibility areas; plus the normal pavement, drainage, turf management, and building maintenance operations.

In cooperation with the Massachusetts Council on the Arts and Humanities, in one of the first efforts of its kind, the Maintenance Department, with its own forces and equipment, has started on a landscaping and environmental improvement project covering some 30 acres at Interchange 2, in Lee, which is to be completed in 1987.

Turnpike Maintenance Department employee, Wallace R. Alexander, was honored as a recipient of one of the Spirit of Massachusetts Achievement Awards in the first annual presentation ceremony for flower, shrub and tree plantings along the Massachusetts Turnpike and at the Sumner-Callahan Tunnels.

HIGHLIGHTS 1985

MAINTENANCE

Bridge, Highway, Building, and Equipment Maintenance

The bridge maintenance crews have been performing concrete repairs to pier and abutment substructures and structural slab decks of bridges carrying tumpike traffic as well as those carrying local traffic over the tumpike. In addition to working on bridges, these crews have performed concrete repairs to the toll lane pavement at several toll plazas.

Blandford highway maintenance crews have replaced 2.2 miles of the original highway guard in the narrow median west of the Westfield River Bridge with a new three beam safety median barrier.

Crews in seven maintenance sections have performed repairs and renewals to the various highway elements including pavement, drainage ditches, pipes and structures, highway guard delineators, fencing, and pavement traffic markings. Property damage claims amounting to \$420,000 were submitted for collection in 1985.

The crews in the sign shop not only repaired damaged signs but also undertook a program in 1985 to renew all the regulatory signs on 123 miles of the tumpike. Similar renewals were made earlier on the 11 miles of tumpike between Route 128 and the Fitzgerald Expressway.

The automotive personnel assigned to the maintenance depot garages repair and maintain a total of over 500 units of motorized equipment. These activities are supported by the stores section which provides an inventory of parts, special tools, fuels and lubricants.

Building maintenance forces are charged with maintaining highway lighting, water and sewage disposal systems, systems, stormwater pumping stations, as well as the maintenance of several Authority buildings. In conjunction with the Authority's Real Estate Department, the building maintenance section was involved in remodeling building space and establishing additional tourist information centers at the Lee, Charlton, and Natick Service Areas.

TOLL COLLECTION

Toll Collection completed its 28th year in 1985, with the expansion of a number of Interchanges. These additions were constructed at Interchange #2 (Lee), #3 (Westfield), #4 (Springfield), #5 (Chicopee), #8 (Palmer), #11 (Millbury), #11A (Westboro), #13 (Natick), and #15 (Newton). With the continued increase in traffic, the expansion of key Interchanges will continue through 1986.

Preparation of the new computerized toll systems began in the Spring of 1985. The new emergency power generators are in place and operating. The refurbishing of the toll booths and a new electric heating system has been installed and is also in operation.

A committee was appointed to develop training methods for the new toll system and various avenues are being explored at this time and should be ready by the Spring of 1986.

In 1986, the toll collectors will have a new look. The uniform design will consist of a blue blazer, grey trousers (or skirt), and shirts, ties, etc. will be color coordinated.

As we move into 1986 with the number of construction changes and the installation of the new toll collection system, the Toll Collection Division will continue to serve the public in the same efficient and courteous manner as they have been doing for the past 28 years.

HIGHLIGHTS 1985

REAL ESTATE

Air Rights Development

The Authority's program to participate in economic development continued in 1985. Several projects were proposed to the Authority for its consideration. Many of these projects involved parking facilities, office, retail and residential complexes. Because the Authority's experience in air-rights development is recognized world wide, many groups, including a Japanese delegation interested in possible air rights development in Tokyo, Japan, met with Authority representatives to discuss such development and to tour our projects. 1986 should prove an exciting year for continuation of air-rights development projects.

Licensing And Leasing

The Real Estate Department had an active year negotiating licenses and leases involving Authority property including a long term lease with Masspark Associates for a major research and development office park on Authority owned land in Westfield, Massachusetts.

Patron Services

Besides maintaining a safe and efficient toll road, the Authority is committed to providing services to its patrons. Under Patron Services, a division of the Real Estate Department, the Emergency Service Patrolmen, in coordination with the officers and dispatchers of Troop E of the State Police, logged more than 22,000 service calls during 1985.

Additionally, the towing operations, ambulance services and the food and gasoline concessions on the tumpike were improved during the year.

The effectiveness of the Patron Services operation will be further enhanced during 1986 with increased supervision and training.

Service Areas

The Authority realized a dramatic increase in business as a result of the addition of Burger King operations on the tumpike. It remains to be seen what effect the sale of Howard Johnson's tumpike restaurants to Marriott Corporation will have on the restaurant operations on the tumpike. However, continued growth is anticipated. Gasoline sales on the tumpike continued to improve.

The Authority is also making improvements to the service areas. Consideration will be given to upgrading the structures and expanding available parking and services.

Inter-Agency Cooperation

The Authority cooperated with other transportation agencies and agencies of State government in discussing or implementing key transportation initiatives:

- Massport's Logan Ground Access Study and Park and Ride program
- Assisted Commerce and Development's Division of Tourism in establishing three additional tourist information centers on the tumpike for a total of four.
- Discussed with the Executive Office of Transportation and Construction numerous improvements to the Authority transportation system.

Fiber-Optics

Telecommunications has made a dramatic entry into the everyday activities of our society and the Authority has been a key player in the discussions. Fiber-optics is fast becoming the standard for telecommunications needs today.

Negotiations were held with several national communication companies regarding use of the tumpike facilities for installation of conduits for fiber-optic cables and it is anticipated that leasing agreements will be signed during 1986.

Communications

The Initial Tumpike radio microwave communication system was installed in 1957. The microwave portion of the system was replaced in 1970 with telephone lines leased from the local telephone company. Except for some additions and minor changes, the radio system essentially remained the same—lagging behind the recent advances in technology. Accordingly, a comprehensive study was undertaken to examine and evaluate present and future communication needs of the Authority. This study resulted in a report submitted in 1985 which recommended changes and improvements to the mobile radio and telephone systems, including a new microwave telecommunication system.

A technical committee with representation from the state police, maintenance, and toll collection departments, as well as the consulting engineer, is in the process of investigating the equipment available from the various vendors preliminary to the acquisition of the required new communication system.

It is intended that the new telecommunication system will not only satisfy the public safety and highway and tunnel needs, but also provide for data transmission in connection with the toll collection business functions.

AFFIRMATIVE ACTION

EQUAL EMPLOYMENT OPPORTUNITY OFFICE

A study conducted in December of 1984, which examined the distribution of the Authority's work force, found that minorities comprised 11% of that year's labor force. It was also pointed out in the study that women constituted 17% of the group. The data which was utilized to analyze the composition of the Authority's 1985 work force indicated, that minorities were 13% of that employee population. Women as a result of the study were shown to be 19% of the overall. The Authority had experienced a 2% increase for each group of these within it's employee population, for a combined increase of 4%, for 1985.

The Authority's 1985 Replacement Reserve Construction Program consisted of twenty-four construction projects. The average ratio required for minority workhours on those projects was 12%. The Authority was successful in meeting and going beyond the required percentage. Actually, 16% of the total labor manhours on those projects were performed by minorities.

On an annual basis the Authority utilizes the services and resources of its official Summer Seasonal Program. The design and purpose of the program is to provide employment opportunities of a limited duration (summer months) with the Authority. The program also serves as a response to the Authority's seasonal needs for employees. Under the coverage of the summer program for 1985, 26% of the overall hires were minorities, with women representing 25% of all the total hires.

The Minority Business Enterprise (MBE) Plan* of the Authority was revised (June 1985) and presented to both the Executive Office of Transportation and Construction and to the Authority's Board. The plan was reviewed and accepted by each and given final approval. Under the current provisions contained in this plan, there are set MBE dollar goals which are to be achieved. The goals are expected to represent 5% of the Authority's service contracts, 5% of the goods pur-

chased, and 10% of all the construction dollars administered by this Authority.

The Authority awarded 52 contracts for goods and services up to and through the 3rd quarter of 1985. The total dollar amount awarded for goods and services procured was \$435,086.22. MBE's received 13% of the Authority's dollar base for both goods and services. Because of this, the prescribed goals for MBE's in these categories were met and exceeded. The Authority awarded 20 construction contracts which included MBE participation. The dollar amount awarded to MBE's in contracts amounted to—\$2,032,229.00, or 15% of the Authority's base dollars for construction, thus surpassing our established goal by 5%.

A section of the leasing contract for Copley Place includes provisions for assuring that employment is provided for members of protected groups. Those who qualify as members of these groups are to be afforded an adequate proportion of the permanent jobs which are located at the development. The agreement contains specific hiring goals for minorities (30%) and women (50%). The chart appearing below displays the results of the most recent report (for 1985) pertaining to the attainment of those prescribed goals.

	No. Emp.	Percent Min.	Percent Women
Marriott Hotel	1,048	41%	47%
Westin Hotel	717	42%	41%
UIDC Management Inc.	249	56%	33%
Retail Tenants	1,128	20%	62%
Total	3,142	35%	50%

The study conducted concerning the past year, agreed that the Massachusetts Turnpike Authority's Affirmative Action Program had some success with respect to goal attainment. However, there is always room for improvement. The Authority is cognizant of its responsibilities in the area of Equal Employment Opportunity/Affirmative Action and, therefore, expects to successfully fulfill the requirements of the obligation.

*Includes two distinct programs for MBE's—one for Purchasing (goods and services) and the other for Construction.

CREDIT UNION

Due in large part to the diligent efforts of a fifteen-member Board of Directors, the Turnpike Credit Union has grown impressively since being established in February 1974.

Statistically, total assets increased to \$1,978,659 as of December 31, 1985. At year-end 829 Authority employees were members owning share account deposits of \$942,980, term deposits of

\$116,259, money market deposits of \$497,943, and, for the first time, Christmas Club accounts in the amount of \$13,260.

The Turnpike Credit Union enters 1986 looking forward to another year of providing a comprehensive program of savings and loan services to its membership.

SERVICE AWARDS

During 1985, the following personnel received Length of Service Awards:

25 YEARS

Edmund J. Buchanan
Maintenance Worker
Charles M. Carnevale
Senior Maintenance Clerk
Thomas J. Condon, Jr.
Patron Services Coordinator
Richard A. Cummings
Heavy Equipment Operator
Catherine J. Diehl
Retirement Systems Bookkeeper
Louis Garczynski
Foreman of Special Projects
John C. O'Brien
Senior Toll Audit Clerk
Howard A. Pease
Foreman of Building Maintenance

Cyril L. York
Foreman of Motor Equipment Maintenance

20 YEARS

Robert J. Boyle
Foreman of Building Maintenance
Eleanor McNicholas
Administrative Asst. Commander of Troop E
Pasquale D. Chiacchia
Toll Collector
Ronald H. Cross
Maintenance Worker
Edmund D. Grammer
Asst. Section Supervisor of Tolls
Joseph T. Greeley
Analyst/Programmer
James H. Langley
Maintenance Worker
William J. Markiewicz
Maintenance Clerk
Francis J. Mikuszewski
Asst. Foreman

Charles Sciortino
Senior Maintenance Clerk
Paul R. Sherman
Senior Maintenance Clerk
Nicholas D. Spolsino
Asst. Section Supervisor of Tolls
Arthur A. Wright
Building Maintenance Mechanic-Skilled

15 YEARS

Albert Ampey
Toll Collector
Victor W. Cook Jr.
Toll Collector
Robert DeRocco, Jr.
Toll Collector
Donald A. Duchesneau
Light Equipment Operator
Warren Germano
Foreman of Maintenance
John N. Grim
Asst. Chief Engineer
Frank Guarino
Toll Collector

Anthony Leone
Light Equipment Operator
Stephen Lopilato
Security Officer
Victor Lozzi
Toll Collector
Ernest L. Mann
Courier
Joseph T. McGowan
Maintenance Worker
Gregory Ouzounian
First Class Mechanic
Frederick Ross
Building Maintenance Mechanic-Skilled
John A. Solomon
Heavy Equipment Operator
John Spano
Heavy Equipment Operator
Robert P. Wolcott
Senior Toll Collector

At a testimonial dinner on December 10, 1985, the following Massachusetts Turnpike Employees were among those selected from throughout the Commonwealth to receive a Performance Recognition Award from Governor Michael S. Dukakis:

Deborah L. Toomey
Retirement System Bookkeeper
Richard F. Filiault
Supervisor of Toll Audit
Rene St. Laurent
Foreman of Motor Equipment
Edward T. Young
Foreman of Maintenance
Barry P. O'Connor
Temporary Supervisor of Tolls-Tunnels
Victoria Tsao
Civil Engineer

RETIRES FOR 1985

AFFIRMATIVE ACTION:

Agnes T. McCann
Equal Employment
Opportunity Officer

DATA PROCESSING:

Michael J. Maher
Supervisor of Printing
Minnie R. Rabinovitz
Senior Key Punch Operator

ENGINEERING AND MAINTENANCE:

William Casey
Storekeeper
Andrew F. Deibel
Foreman Sign Shop
Joseph A. DeSimone
Assistant Foreman
Robert W. Flaherty
Foreman Maintenance
Herman C. Hunter
Building Maintenance
Clerk
Raymond A. Jalbert
Heavy Equipment
Operator

Thomas J. Monaco, Sr.
Custodian Services
Coordinator
Frank A. Santelli
Light Equipment Operator

INSURANCE:

Anthony Capoccia
Section Safety Inspector

LEGAL:

Sam A. Picardi
Assistant Attorney

RETIREMENT BOARD:

Catherine J. Diehl
Retirement System
Bookkeeper

TOLL COLLECTION:

Robert H. Burke
Senior Toll Collector
Seraphino S. Carbone
Janitor
Carmella M. Casso
Toll Collector

Robert T. Faulkner
Senior Toll Collector
Paul R. Fitzgerald
Toll Collector
William P. Ford, Sr.
Toll Collector
Stanley A. Frydryk
Toll Collector
Ernest L. Mann
Courier
Thomas H. McDonough
Courier
Joseph C. Mottola
Toll Equipment Service
Co-ordinator
Silvio W. Pettinelli
Toll Collector
Nora T. Rondeau
Toll Collector
Lazar Theodoss
Toll Collector
Bennie I. Trzcinski
Toll Collector

Joseph F. Ughetti
Toll Record Analyst

TUNNELS DIVISION:

Richard M. Holmes
Toll Sergeant
Paul F. Hylan
Foreman of Electricians
John F. Reagan
Toll Collector
Philip J. Romano
First Class Mechanic

DEATHS-1985

*Harry Freedman
Plaza Supervisor
01/16/85

*Walter J. Letellier
Toll Collector
01/26/85

*Dominick D'Alto
Computer Services
Clerk
02/02/85

*John E. Duffin
Toll Collector
02/08/85

*Helen Downey
Senior Clerk Typist
02/14/85

*Irving S. Wood
Toll collector
02/16/85

*Joseph J. Morrone
Building Maintenance
Mechanic Skilled
02/22/85

*Howard J. Dengler
Toll Collector
02/26/85

*Martin P. Donahue
Janitor
02/27/85

*Malcolm F. Wheeler
Toll Collector
03/01/85

*Bernard J. Lamery
Construction Inspector
03/21/85

*Henry J. Nicholson
Toll Collection Clerk
04/14/85

*Charles C. Motta
Supervisor of
Motor Equipment
04/19/85

*Robert W. Flaherty
Foreman-Maintenance
05/19/85

*William E. Uva
Toll Collector
06/01/85

*Daniel F. Pond
Foreman of Motor
Equipment
06/06/85

*Alfred A. Gaboury
Heavy Equipment
Operator
07/06/85

*David Coakley
Toll Collector
07/21/85

*Domenic Spadafora
Maintenance Man
10/30/85

*Nicholas Crosta
Maintenance Man
11/05/85

*John J. Reilly
Janitor
11/18/85

*Carlo Caporale
Mechanic
11/27/85

John B. Horrigan
Mechanic
12/03/85

*John D. Flaherty
Maintenance Man
12/15/85

Donald J. McGillivray
Toll Audit Clerk
12/23/85

*James C. Fowler
Maintenance Man
12/25/85

Leslie R. Wijangco
Toll Collector
12/31/85

(*retiree)

March 7, 1986
Charles E. Di Pesa & Co.
Certified Public Accountants
Members of the Board
Massachusetts Turnpike Authority
Boston, Massachusetts 02116

Gentlemen:

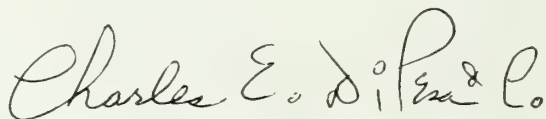
We have examined the Combined Statement of Condition of the Massachusetts Turnpike Authority as of December 31, 1985 and the related Combined Statement of Revenues and Expenses for the year ended pursuant to the Trust Agreements. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As more fully described in Note 3, the Authority's policy is to prepare its financial statements on the basis of accounting practices prescribed by the Trust Agreements. These practices vary in some respects from generally accepted accounting principles. Accordingly, the financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the aforementioned financial statements present fairly the financial position of the Massachusetts Turnpike Authority as of December 31, 1985 and the revenues and expenses for the year then ended in conformity with the provisions of the Trust Agreements, as set forth in Note 3 to the financial statements applied on a consistent basis.

Our examination was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The current year's supplementary data is presented for the purpose of additional analyses and is not a required part of the basic financial statements. Such information has been subjected to the same auditing tests and procedures and, in our opinion, are stated fairly in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,



Charles E. Di Pesa & Co.
Certified Public Accountants

MASSACHUSETTS TURNPIKE AUTHORITY
COMBINED STATEMENT OF CONDITION
AS OF DECEMBER 31, 1985 and 1984



<i>Assets</i>	1985	1984
Cash	\$ 5,936,539	\$ 10,896,381
Investments	50,476,749	39,283,676
Accrued Interest on Investments	348,275	291,429
Accounts Receivable	3,210,390	2,337,712
Inventories	536,593	622,458
Deposits, Prepaid and Deferred Items	1,629,355	673,614
Escrow Funds	23,293	59,050
Investments in Annuity Contract (Note 6)	1,722,877	1,206,280
Cost of Massachusetts Turnpike and Callahan-Sumner Tunnels to Date	554,000,000	554,000,000
Total Assets	\$617,884,071	\$609,370,600

Liabilities and Fund Balances

Accounts Payable	\$ 2,740,532	\$ 1,221,848
Accrued Expenses and Payroll	3,797,703	2,657,032
Withholding from Employees	31,122	28,491
Deposits and Deferred Income	370,662	410,290
Bond Interest-Unpaid Coupons	62,786	22,991
Deferred Compensation (Note 6)	1,722,877	1,206,280
Medical Benefits Claims Reserve	193,717	166,090
Retainage	1,519,260	1,030,457
Revenue Bonds Outstanding	210,328,555	231,245,115
Fund Balances		
Revenue Bonds Retired	343,671,445	322,754,885
Fund Balances	53,445,412	48,627,121
Total Fund Balances	397,116,857	371,382,006
Total Liabilities and Fund Balances	\$617,884,071	\$609,370,600

The Accompanying Footnotes are an Integral Part of these Combined Statements

MASSACHUSETTS TURNPIKE AUTHORITY
COMBINED STATEMENT OF REVENUES AND EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 1985 and 1984

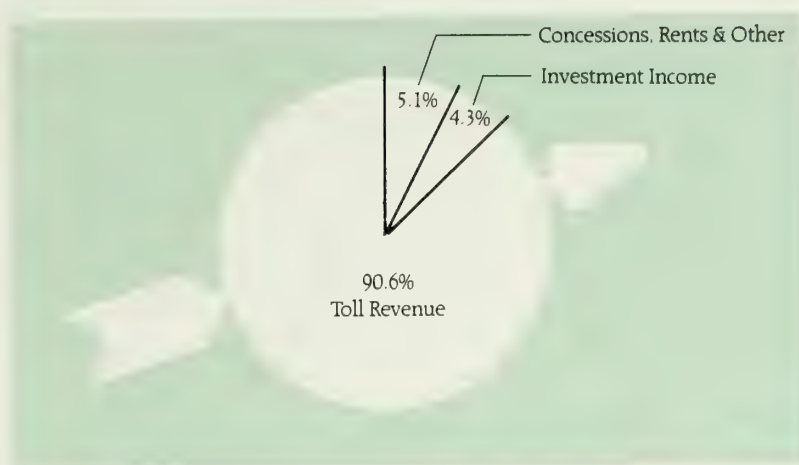
<i>Revenues</i>	1985	1984
Toll Revenue (Net)	\$ 89,087,804	\$ 84,376,358
Restaurant Revenue	1,474,616	1,150,315
Service Station Revenue	1,404,191	1,369,133
Rental Income	1,846,914	1,762,977
Miscellaneous	291,954	282,576
Income from Investments		
Redemption Account	187,803	606,498
Revenue Fund	366,774	422,012
Replacement Reserve Fund	1,701,353	1,772,459
Bond Interest Account	372,701	526,715
Reserve Account	1,550,219	1,947,534
Total Revenues	\$ 98,284,329	\$ 94,216,577
<hr/>		
<i>Operating Expenses</i>		
Administrative	\$ 4,435,343	\$ 5,234,023
Retirement	3,815,475	3,705,756
Toll Collection	10,859,402	9,733,835
Police Patrol	3,186,325	2,750,348
Maintenance of Highway, Buildings, Tunnels and Equipment	15,092,187	14,144,731
Total Operating Expenses	\$ 37,388,732	\$ 35,568,693
Excess of Revenues Over Operating Expenses	\$ 60,895,597	\$ 58,647,884
Interest Requirements	\$ 10,526,274	\$ 11,700,187

COMBINED ANALYSIS OF FUND BALANCES
FOR THE YEARS DECEMBER 31, 1985 and 1984

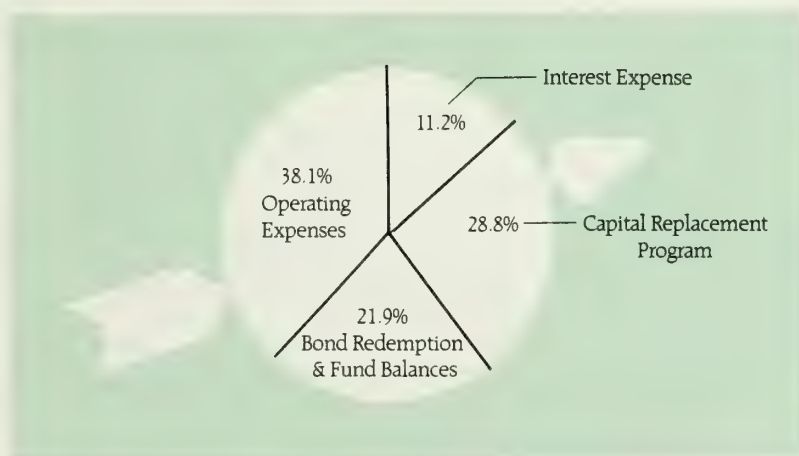
	1985	1984
<i>Balances – beginning of year</i>	\$ 48,627,121	\$ 49,096,664
Excess of Revenues Over Operating Expenses for the Years Ended December 31, 1985 and 1984	60,895,597	58,647,884
Totals	\$109,522,718	\$107,744,548
<hr/>		
<i>Disbursements</i>		
Redemption of Bonds	\$ 20,715,877	\$ 30,896,888
Payment of Bond Interest		
Interest Dates	10,729,295	10,452,166
Retirement Dates	305,373	943,675
Replacement Reserve Expenditures	24,326,761	16,680,989
Bond Call and Issuance Expenditures		143,709
Total Disbursements	\$ 56,077,306	\$ 59,117,427
Balances – end of year	\$ 53,445,412	\$ 48,627,121

The Accompanying Footnotes are an Integral Part of these Combined Statements

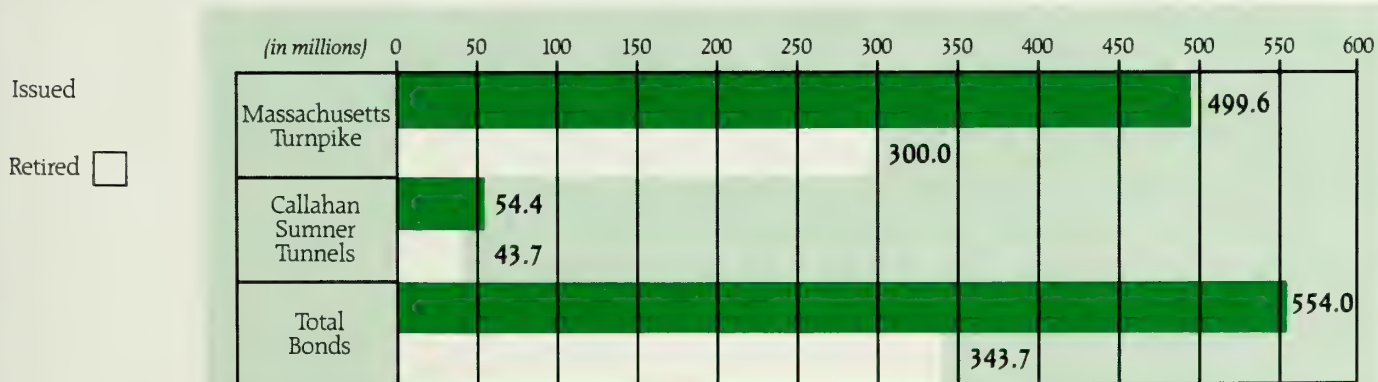
MASSACHUSETTS TURNPIKE AUTHORITY 1985 COMBINED GROSS REVENUES



1985 DISPOSITION OF COMBINED REVENUES



1985 TOTAL BONDS ISSUED AND RETIRED



MASSACHUSETTS TURNPIKE AUTHORITY
MASSACHUSETTS TURNPIKE
STATEMENT OF CONDITION
AS OF DECEMBER 31, 1985 and 1984



Assets	1985	1984
Cash	\$ 5,177,533	\$ 10,009,893
Investments	43,604,376	33,105,450
Accrued Interest on Investments	294,070	210,755
Accounts Receivable	3,115,158	2,224,346
Inventories	533,721	621,937
Deposits, Prepaid and Deferred Items	1,024,349	461,210
Escrow Funds	23,293	59,050
Investments in Annuity Contract (Note 6)	1,722,877	1,206,280
Due from Other Funds	1,160,813	905,343
Cost of Massachusetts Turnpike to Date	499,600,000	499,600,000
Total Assets	\$556,256,190	\$548,404,264

Liabilities and Fund Balances

Accounts Payable	\$ 2,552,360	\$ 1,189,907
Accrued Expenses and Payroll	2,945,146	1,852,351
Withholding from Employees	31,122	28,491
Deposits and Deferred Income	242,286	287,873
Bond Interest-Unpaid Coupons	43,997	21,162
Deferred Compensation (Note 6)	1,722,877	1,206,280
Due to Other Funds	1,167,446	918,977
Retainage	1,495,575	985,334
Medical Benefits Claims Reserve	193,717	166,090
Revenue Bonds Outstanding		
1962 Revenue Series - Due January 1, 2002		
Series A - 4.75%	100,000,000	100,000,000
Series A - 4.15%	38,000,000	38,000,000
Series B - 4%-5%		
1984 Refunding Bonds - Due January 1, 2002		
Series B - 5%	61,643,555	79,676,115
Fund Balances:		
Revenue Bonds Retired	299,956,445	281,923,885
Fund Balances	46,261,664	42,147,799
Total Fund Balances	\$346,218,109	\$324,071,684
Total Liabilities and Fund Balances	\$556,256,190	\$548,404,264

The Accompanying Footnotes are an Integral Part of these Combined Statements

MASSACHUSETTS TURNPIKE AUTHORITY
MASSACHUSETTS TURNPIKE
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 1985 and 1984



<i>Revenues</i>	1985	1984
Toll Revenue (Net)	\$79,898,930	\$75,403,783
Restaurant Revenue	1,474,616	1,150,315
Service Station Revenue	1,404,191	1,369,133
Rental Income	1,773,354	1,694,090
Miscellaneous	291,487	282,574
Income from Investments		
Redemption Account	179,428	606,498
Revenue Fund	330,888	379,271
Replacement Reserve Fund	1,528,321	1,604,447
Bond Interest Account	348,708	492,236
Reserve Account	1,088,498	1,465,840
Total Revenues	\$88,318,421	\$84,448,187
<hr/>		
<i>Operating Expenses</i>		
Administrative	\$ 3,661,721	\$ 4,527,806
Retirement	3,324,259	3,019,838
Toll Collection	9,139,078	8,142,427
Police Patrol	3,031,458	2,611,014
Engineering and Maintenance	13,105,403	12,317,039
Total Operating Expenses	\$32,261,919	\$30,618,124
<i>Excess of Revenues Over Operating Expenses</i>	\$56,056,502	\$53,830,063
<i>Interest Requirements</i>	\$ 9,937,702	\$10,970,310
<i>Percentage of Interest Earned</i>	564.08	490.69

The Accompanying Footnotes are an Integral Part of these Combined Statements

MASSACHUSETTS TURNPIKE AUTHORITY
MASSACHUSETTS TURNPIKE
ANALYSIS OF FUND BALANCES
FOR THE YEARS ENDED DECEMBER 31, 1985 and 1984



	1985	1984
<i>Balances – beginning of year</i>	\$42,147,799	\$43,012,06
Excess of Revenues Over Operating Expenses for the Years Ended December 31, 1985 and 1984	56,056,502	53,830,06
<i>Totals</i>	\$98,204,301	\$96,842,12

Disbursements

Redemption of Bonds	\$17,906,440	\$28,118,91
Payment of Bond Interest		
Interest Dates	10,126,900	9,720,33
Retirement Dates	278,358	904,38
Replacement Reserve Expenditures	23,630,939	15,806,98
Bond Call and Issuance Expenditures		143,70
<i>Total Disbursements</i>	\$51,942,637	\$54,694,32
<i>Balances – end of year</i>	\$46,261,664	\$42,147,79

The Accompanying Footnotes are an Integral Part of these Combined Statements

MASSACHUSETTS TURNPIKE AUTHORITY
CALLAHAN-SUMNER TUNNELS
STATEMENT OF CONDITION
FOR THE YEARS ENDED DECEMBER 31, 1985 and 1984



<i>Assets</i>	1985	1984
Cash	\$ 759,006	\$ 886,488
Investments	6,872,373	6,178,226
Accrued Interest on Investments	54,205	80,674
Accounts Receivable	95,232	113,366
Inventories	2,872	521
Deposits, Prepaid and Deferred Items	605,006	212,404
Due from Other Funds	101,897	93,842
Cost of Tunnels to Date	54,400,000	54,400,000
Total Assets	\$62,890,591	\$61,965,521

Liabilities and Fund Balances

Accounts Payable	\$ 188,172	\$ 31,941
Accrued Expenses and Payroll	852,557	804,681
Deposits and Deferred Income	128,376	122,417
Bond Interest-Unpaid Coupons	18,789	1,829
Due to Other Funds	95,264	80,208
Retainage	23,685	45,123
Revenue Bonds Outstanding		
1959 Revenue Series - Due April 1, 1999		
4.75%	10,684,999	13,569,000
Fund Balances		
Revenue Bonds Retired	43,715,001	40,831,000
Fund Balances	7,183,748	6,479,322
Total Fund Balances	\$50,898,749	\$47,310,322
Total Liabilities and Fund Balances	\$62,890,591	\$61,965,521

The Accompanying Footnotes are an Integral Part of these Combined Statements

MASSACHUSETTS TURNPIKE AUTHORITY
CALLAHAN-SUMNER TUNNELS
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 1985 and 1984



<i>Revenues</i>	1985	1984
Toll Revenue (Net)	\$ 9,188,874	\$ 8,972,575
Rental Income	73,560	68,887
Miscellaneous	467	2
Income from Investments		
Redemption Account	8,375	
Revenue Fund	35,886	42,741
Replacement Reserve Fund	173,032	168,012
Bond Interest Account	23,993	34,479
Reserve Account	461,721	481,694
Total Revenues	\$ 9,965,908	\$ 9,768,390
<hr/>		
<i>Operating Expenses</i>		
Administrative	\$ 773,622	\$ 706,217
Retirement	491,216	685,918
Toll Collection	1,720,324	1,591,408
Police Patrol	154,867	139,334
Maintenance and Operation of Tunnels	1,986,784	1,827,692
Total Operating Expenses	\$ 5,126,813	\$ 4,950,569
Excess of Revenues Over Operating Expenses	\$ 4,839,095	\$ 4,817,821
Interest Requirements	\$ 588,572	\$ 729,877
Percentage of Interest Earned	822.18	660.09

CALLAHAN-SUMNER TUNNELS
ANALYSIS OF FUND BALANCES
FOR THE YEARS DECEMBER 31, 1985 and 1984

	1985	1984
<i>Balances – beginning of year</i>	\$ 6,479,322	\$ 6,084,604
Excess of Revenues Over Operating Expenses for the Years Ended December 31, 1985 and 1984	4,839,095	4,817,821
Totals	\$11,318,417	\$10,902,425

Disbursements

Redemption of Bonds	\$ 2,809,437	\$ 2,777,975
Payment of Bond Interest		
Interest Dates	602,395	731,833
Retirement Dates	27,015	39,293
Replacement Reserve Expenditures	695,822	874,002
Total Disbursements	\$ 4,134,669	\$ 4,423,103
Balances – end of year	\$ 7,183,748	\$ 6,479,322

The Accompanying Footnotes are an Integral Part of these Combined Statements

MASSACHUSETTS TURNPIKE AUTHORITY
SUMMARY OF REVENUE BONDS ISSUED, RETIRED AND OUTSTANDING
FISCAL YEAR ENDED DECEMBER 31, 1985



Schedule A

	Original Amount Authorized And Issued	Issuance of Series B Refunding Bonds	Total Bonds Issued	Acquired and Cancelled in Prior years	Amount Outstanding 1/1/85	Bonds Retired in 1985	Amount Outstanding 12/31/85
Massachusetts Turnpike 1954 Revenue Bonds Due 01/01/2002 3.3%	\$239,000,000	\$	\$239,000,000	\$239,000,000	\$	\$	\$
1962 Revenue Bonds Due 01/01/2002 Series A - 4.75%	100,000,000		100,000,000		100,000,000		100,000,000
Series A - 4.15%	38,000,000		38,000,000		38,000,000		38,000,000
Series B - 4%-5%	80,000,000	(80,000,000)					
1968 Revenue Bonds Due 05/01/2008 5.25%	15,000,000		15,000,000	15,000,000			
1984 Refunding Bonds Due 01/01/2002 Series B - 5.0%		107,600,000	107,600,000	27,923,885	79,676,115	18,032,560	61,643,555
Total Massachusetts Turnpike	\$472,000,000	\$27,600,000	\$499,600,000	\$281,923,885	\$217,676,115	\$18,032,560	\$199,643,555
Callahan-Sumner Tunnels 1959 Revenue Bonds Due 04/01/1999 4.75%	\$52,800,000		\$52,800,000	\$39,231,000	\$13,569,000	\$2,884,001	\$10,684,999
4.25%	1,600,000		1,600,000	1,600,000			
Total Callahan-Sumner Tunnels	\$54,400,000		\$54,400,000	\$40,831,000	\$13,569,000	\$2,884,001	\$10,684,999
Total Authority	\$526,400,000	\$27,600,000	\$554,000,000	\$322,754,885	\$231,245,115	\$20,916,561	\$210,328,554

The Accompanying Footnotes are an Integral Part of these Combined Statements

MASSACHUSETTS TURNPIKE AUTHORITY
COMBINED REVENUES, OPERATING EXPENSES
AND BOND INTEREST REQUIREMENTS
FOR THE YEARS ENDED DECEMBER 31, 1985 and 1984



Revenues, Operating Expenses, and Net Revenues

	Gross Revenues		Operating Expenses		Net Revenues	
	1985	1984	1985	1984	1985	1984
Massachusetts Turnpike	\$88,318,421	\$84,448,187	\$32,261,919	\$30,618,124	\$56,056,502	\$53,830,063
Callahan-Sumner Tunnels	9,965,908	9,768,390	5,126,813	4,950,569	4,839,095	4,817,821
Totals	\$98,284,329	\$94,216,577	\$37,388,732	\$35,568,693	\$60,895,597	\$58,647,884

	Net Revenues		Interest Requirement		Percentage of Interest Earned	
	1985	1984	1985	1984	1985	1984
Massachusetts Turnpike	\$56,056,502	\$53,830,063	\$ 9,937,702	\$10,970,310	564.08	490.69
Callahan-Sumner Tunnels	4,839,095	4,817,821	588,572	729,877	822.18	660.09
Totals	\$60,895,597	\$58,647,884	\$10,526,274	\$11,700,187	578.51	501.26

The Accompanying Footnotes are an Integral Part of these Combined Statements

NOTES TO COMBINED FINANCIAL STATEMENTS

1 - General

In fiscal year 1985 the Authority operated two separate and financially distinct facilities, i.e., the Massachusetts Turnpike and the Callahan-Sumner Tunnels. These facilities were financed by means of revenue bond issues totalling \$554,000,000. Neither the faith and credit nor the taxing power of the Commonwealth of Massachusetts or of any political subdivision thereof was pledged to the payment of the principal or interest on the bonds. The funds providing for the maintenance, operation and policing of these facilities, as well as principal and interest payments on bond issues, were derived from tolls and other revenues.

2 - The Enabling Act

By Chapter 354 of the Acts of 1952 of the Commonwealth of Massachusetts, the Massachusetts Turnpike Authority was duly created a body politic and corporate and a public instrumentality of the Commonwealth of Massachusetts and was authorized and empowered to construct, maintain, repair and operate a toll express highway, known as the "Massachusetts Turnpike." Chapter 598 of the Acts of 1958 authorized and empowered the Massachusetts Turnpike Authority to acquire from the city of Boston the Sumner Tunnel and to construct and operate an additional vehicular tunnel between Boston proper and East Boston (known as the Callahan Tunnel).

3 - Summary of Significant Accounting Policies

a) General Accounting Practices

All accounts and records of the Authority are maintained in accordance with accounting practices consistent with the provisions of the following trust agreements: The Supplemental Trust Agreement dated as of January 1, 1962 relating to the Massachusetts Turnpike and Trust Agreement dated as of April 1, 1959, relating to the Callahan-Sumner Tunnels. As a result of the terms of the bond resolutions and the related interpretation thereof, the Authority's accounting practices differ in certain respects from generally accepted accounting principles but are in accordance with accounting practices followed by similar entities.

b) Combined Financial Statements

In addition to the financial statements presented for each of the two financially distinct facilities, the Authority, as a matter of policy and public information, also presents in its Annual Report financial statements reflecting the combined financial condition of the Massachusetts Turnpike and the Callahan-Sumner Tunnels.

c) The Fiscal Year

The Authority's fiscal year is the calendar year.

d) Method of Accounting

The funds and accounts of the Authority are maintained on the modified accrual basis. Revenues are recognized in the accounting period in which they become available and measurable. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured bond interest in the Sinking Fund Bond Interest Account which is recognized when due.

e) Depreciation

In accordance with the provisions of the Trust Agreement, depreciation of the Turnpike and related facilities is not included as an operating expense or otherwise provided. The cost of all maintenance, repairs and equipment replacements deemed necessary to maintain such facilities is charged to operating expenses of the Replacement Reserve Fund.

f) Inventories

Inventories consist primarily of sodium chloride, calcium chloride, sand, bulk gasoline, and highway guardrail. Inventories are valued at cost utilizing the FIFO method.

g) Cost of Projects

The cost of Authority projects includes all costs for acquisition and construction, legal expenses and fees, financing charges, preparation and issuance of bonds, and all other items of expense defined and authorized in the trust agreements.

NOTES TO COMBINED FINANCIAL STATEMENTS (CONT.)

h) Revenues

All revenues received by the Authority are deposited with the First National Bank of Boston, Trustee (Bank of Boston) or other authorized bank depositories, and are held in trust and applied in accordance with the provisions of the trust agreements. All revenues deposited with the Trustee, or any other depository, are continuously secured for the benefit of the Authority and bondholders by marketable securities eligible as security for the deposit of trust funds and are approved and held by the Bank of Boston, Trustee. On or before the fifteenth day of each month, all monies held for the credit of the revenue funds on the last day of the preceding month, less an amount held for reserve for current expenses, are transferred by the Trustee and credited to the following accounts or funds:

1) To the Sinking Fund Bond Interest Accounts, such amounts, if any, as may be required to make the balances therein equal to the amount of interest which will become payable within the next ensuing six months on all bonds then outstanding;

2) To the Replacement Reserve Funds, such amounts, if any, as may be required to make the amount deposited in each fiscal year equal to the amounts recommended by the Consulting Engineers;

3) To the Sinking Fund Reserve Accounts, such amounts, if any, as may be required to make the amount equal to the interest reserve requirements specified in the Trust agreements;

4) To the Redemption Accounts the balance, if any, remaining after deposits made under clauses 1, 2, and 3 above.

i) Operating Expenses

The term "current expenses" (operating expenses) as defined in the trust agreements excludes any extraordinary maintenance or repair allowance for depreciation, or debt service. The trust agreements provide that the Authority will on or before the first day of each fiscal year adopt annual budgets. The annual budgets of operating expenses for fiscal year 1985 for the two facilities totaled \$38,410,000 as compared to actual expenses of \$37,388,732.

j) Replacement Reserve Funds

These funds are held for the purpose of paying for the cost of resurfacing, replacement or reconstruction, usual or extraordinary maintenance or repairs, renewals and replacements, the cost of replacing equipment, engineering expenses and premiums on insurance carried under the provisions of the trust agreements. As provided in the trust agreements, the Consulting Engineers are required annually to inspect the Authority's facilities and report to the Authority their findings and recommendations as to: a) estimate of the amount necessary for proper maintenance, repair and operation during the ensuing fiscal year, b) insurance to be carried under the provisions of the trust agreements and c) amounts to be deposited during the ensuing fiscal year to the credit of the replacement reserve funds. For fiscal year 1985, the Consulting Engineers recommended the following amounts be deposited to the two funds, and such amounts were so deposited: Massachusetts Turnpike \$27,000,000, and the Callahan-Summer Tunnels \$1,340,000.

The estimated value of contracts outstanding as of December 31, 1985 for major repairs, renewals, and replacement programs is \$17,933,266.

4 - Net Revenues and Sinking Fund Requirements

In fiscal year 1985 the Authority met the net revenue and sinking fund requirements referred to in Section 501 of the respective trust agreements.

5 - Pension Costs

By the enactment of Chapter 597 of the Acts of 1967, and acceptance thereof by the Authority, the Massachusetts Turnpike Authority Employees' Retirement System was created. Accordingly, effective July 1, 1968, employees of the Authority are entitled to retirement benefits in accordance with the provisions of the Massachusetts Contributory Retirement Law (Chapter 32 of the General Laws, Sections 1-28). Pursuant to Section 22 (7) (e) as amended, the Authority is required to pay annually to the Massachusetts Turnpike Authority Employees' Retirement System, amounts certified by the Division of

NOTES TO COMBINED FINANCIAL STATEMENT (CONT.)

Public Employees' Retirement administration (PERA) as necessary for payment of pension benefits to retired employees of the Authority and their beneficiaries and for the expenses of said system.

As of January 1, 1985 the Authority's actuarial consultant estimated the unfunded frozen actuarial liability to be \$25,770,200. By the enactment of Chapter 566 of the Acts of 1978, amending Chapter 32 of the General Laws, provision was made for the funding of the Massachusetts Turnpike Authority Employees' Retirement System. Under this Amendment, the Authority is required to fund the sum of (a) the normal pension cost for the current year, and (b) an amount sufficient to amortize unfunded past service liability prior to dissolution of the Authority.

During fiscal year 1985 \$1,475,900 was expensed to the Retirement System for the Pension and Expense Funds, and \$2,067,633 to the Pension Reserve Fund for past service liability.

6 - Deferred Compensation Plan

In 1981, the Authority adopted the Massachusetts Turnpike Authority Deferred Compensation Plan (Plan), whereby an employee who elects to participate may defer the receipt of a specified amount of compensation. Such deferred compensation is payable to the participant on retirement, death, disability or financial hardship. In 1981, the Authority entered into an agreement with Aetna Life Insurance and Annuity Company to perform for the Authority certain functions in the implementation and continuing operation of the plan.

For accounting purposes the assets and liabilities of the plan are recorded at market value. As of December 31, 1985 value of the plan was \$1,722,877.

7 - Lease and Installment Purchase Commitments

The Authority has entered into the following lease and installment purchase agreements which were in full force and effect as of December 31, 1985.

a) Rental of Administrative Offices in the city of Boston for the four year period terminating June 13, 1988.

b) Installment purchases for data processing equipment - During 1978, the Authority executed amendments to the original 1971 agreement providing for certain enhancements and additions to the existing Burroughs data processing equipment, with payments amortized over a seven year period. Additionally, on December 23, 1982, the Authority entered into a five year lease purchase agreement to acquire a Sperry Univac System 80 Computer System.

c) Lease agreement providing for the rental of automatic toll collection equipment located at the Massachusetts Turnpike and the Callahan-Sumner Tunnels - The original lease agreements have been extended for a period terminating February 28, 1986 for the Massachusetts Turnpike, and May 21, 1989 for the Callahan-Sumner Tunnels.

d) On January 31, 1980, Urban Investment and Development Company entered into a lease with the Authority for ninety-nine years for the air rights for property located in the Copley Square area of Boston. The Company has constructed on the site, two hotels, retail offices, and a residential complex. The lease provides for rental payments of \$1,200,000 annually through February 15, 2002. After dissolution of the Authority any subsequent lease payments will revert to the Commonwealth of Massachusetts.

8 - Contingent Liabilities

The Authority is contingently liable under pending litigation and/or claims in which the Authority is the defendant. In the opinion of the Authority, the total potential liability of such actions would not materially affect its financial statements.

MASSACHUSETTS TURNPIKE AUTHORITY
MASSACHUSETTS TURNPIKE
FINANCIAL RESULTS OF OPERATION 1979-1985



	1979	1980	1981	1982	1983	1984	1985
<i>(Dollars in Thousands)</i>							
Gross Toll Revenue	\$ 46,935	\$ 58,946	\$ 62,707	\$ 65,552	\$ 70,247	\$ 75,946	\$ 80,441
Less Volume Discounts	(381)	(475)	(488)	(467)	(490)	(542)	(541)
Net Toll Revenue	\$ 46,554	\$ 58,471	\$ 62,219	\$ 65,085	\$ 69,757	\$ 75,404	\$ 79,899
Restaurant Revenue	870	925	963	1,018	1,080	1,150	1,471
Service Station Revenue	1,873	1,670	1,347	1,248	1,321	1,369	1,401
Miscellaneous	516	574	1,607	1,758	1,927	1,977	2,061
Income from Investments	3,166	3,484	4,632	4,274	4,246	4,548	3,471
Gross Revenues	\$ 52,979	\$ 65,124	\$ 70,768	\$ 73,383	\$ 78,331	\$ 84,448	\$ 88,311
Operating Expenses	\$ 18,166	\$ 20,496	\$ 22,977	\$ 25,835	\$ 27,983	\$ 30,618	\$ 32,261
Net Revenues	\$ 34,812	\$ 44,628	\$ 47,791	\$ 47,548	\$ 50,348	\$ 53,830	\$ 56,050
Bond Interest	\$ 13,372	\$ 12,860	\$ 12,011	\$ 11,166	\$ 10,413	\$ 10,970	\$ 9,931
Per Cent of Interest Earned	260.34	347.03	397.88	425.83	483.49	490.69	564.01
Deposits to Replacement Reserve	\$ 9,300	\$ 9,500	\$ 8,500	\$ 11,500	\$ 11,500	\$ 15,500	\$ 27,000
Revenue Bonds							
Retired During Year	\$ 11,804	\$ 22,219	\$ 28,429	\$ 21,682	\$ 30,332	\$ 27,924	\$ 18,031
Average Price Paid	\$ 86.35	\$ 91.03	\$ 94.77	\$ 99.48	\$ 100.86	\$ 100.70	\$ 99.31
Retired to Date	\$151,338	\$173,557	\$201,986	\$223,668	\$254,000	\$281,924	\$299,951
Per Cent Retired to Date	32.1	36.8	42.8	47.4	53.8	56.4	60.1
Bonds Outstanding	\$320,662	\$298,443	\$270,014	\$248,332	\$218,000	\$217,676	\$199,641

MASSACHUSETTS TURNPIKE AUTHORITY
CLASS COMPARISON - MASSACHUSETTS TURNPIKE
JANUARY-DECEMBER 1985 VS JANUARY-DECEMBER 1984



Class Description	Transactions		Increase or (Decrease)	%	Revenue		Increase or (Decrease)	%
	1985	1984			1985	1984		
1. Passenger Vehicle or Light Truck (Taxis, Suburbans, Ambulances, Motorcycles, Hearses)	106,658,755	100,951,103	5,707,652	5.7	\$60,914,376	\$57,499,445	\$3,414,931	5.9
2. Passenger Vehicle or Light Truck with One or Two Axle Trailers	304,814	296,807	8,007	2.7	413,057	402,930	10,127	2.5
3. Trucks - Five or More Axles	3,786,155	3,569,745	216,410	6.1	11,546,140	10,667,243	878,897	8.2
5. Medium Trucks - Dual Tires with Two Axles	2,311,877	2,211,302	100,575	4.5	2,279,148	2,151,481	127,667	5.9
6. Trucks - Three Axles	500,863	471,604	29,259	6.2	629,699	600,173	29,526	4.9
7. Trucks - Four Axles	1,055,834	1,129,731	(73,897)	(6.5)	2,347,204	2,491,273	(144,069)	(5.8)
8. Buses	772,749	772,051	698	.1	780,846	766,902	13,944	1.8
9. Tandem Trailer - Units	154,328	117,238	37,090	31.6	1,535,536	1,366,029	169,507	12.4
10. Non-Revenue	496,487	475,456	21,031	4.4				.0
Totals	116,041,862	109,995,037	6,046,825	5.5	\$80,446,006	\$75,945,476	\$4,500,530	5.9

MASSACHUSETTS TURNPIKE AUTHORITY
CALLAHAN-SUMNER TUNNELS
FINANCIAL RESULTS OF OPERATION 1979-1985



	1979	1980	1981	1982	1983	1984	1985
<i>(Dollars in Thousands)</i>							
Net Toll Revenue	7.044	\$ 7.894	\$ 8.215	\$ 8.293	\$ 8.566	\$ 8.973	\$ 9.188
Rental & Miscellaneous Income	66	61	81	83	73	69	7
Income from Investments	481	510	650	788	754	727	70
Gross Revenues	\$ 7.591	\$ 8.465	\$ 8.946	\$ 9.164	\$ 9.393	\$ 9.769	\$ 9.96
Operating Expenses	\$ 3.037	\$ 3.573	\$ 4.056	\$ 4.586	\$ 4.695	\$ 4.951	\$ 5.12
Net Revenues	\$ 4.554	\$ 4.892	\$ 4.890	\$ 4.579	\$ 4.698	\$ 4.818	\$ 4.83
Bond Interest	\$ 1.407	\$ 1.270	\$ 1.102	\$ 979	\$ 870	\$ 730	\$ 58
Per Cent of Interest Earned	323.70	385.27	443.91	467.86	540.05	660.09	822.1
Deposits to Replacement Reserve	\$ 500	\$ 600	\$ 500	\$ 2.000	\$ 900	\$ 1.000	\$ 1.34
\$54,000,000 Revenue Bonds							
Retired During Year	\$ 2.570	\$ 3.517	\$ 3.748	\$ 1.529	\$ 3.095	\$ 2.899	\$ 2.88
Average Price Paid	\$ 92.95	\$ 83.44	\$ 83.99	\$ 88.65	\$ 95.37	\$ 95.83	\$ 97.4
Retired to Date	\$26.043	\$29.560	\$33.308	\$34.837	\$37.932	\$40.831	\$43.71
Per Cent Retired to Date	47.9	54.3	61.2	64.0	70.0	75.1	80.
Bonds Outstanding	\$28.357	\$24.840	\$21.092	\$19.563	\$16.468	\$13.569	\$10.68

MASSACHUSETTS TURNPIKE AUTHORITY
CLASS COMPARISON - CALLAHAN-SUMNER TUNNELS
JANUARY-DECEMBER 1985 VS JANUARY-DECEMBER 1984



Class Description	Transactions		Increase or (Decrease)	%	Revenue		Increase or (Decrease)	%
	1985	1984			1985	1984		
1. Passenger Car, Taxi, Light Truck, Ambulance, Motorcycle, Hearse, Car Pools	14,036,972	13,717,170	319,802	2.3	\$8,418,039	\$8,224,762	\$193,277	2.3
2. Passenger Car with Single Axle Trailer, Tow Axle Single Tire Truck with Single-Axle Trailer	3,722	3,976	(254)	(6.4)	2,978	3,181	(203)	(6.4)
4. Trucks - Five or More Axles	24,639	15,091	9,548	63.3	27,103	16,600	10,503	63.3
5. Two Axle Dual-Tire Truck	205,325	203,914	1,411	.7	164,260	163,131	1,129	.7
6. Three Axle Truck, Two Axle Dual-Tire Truck with Single Axle Trailer	18,420	19,508	(1,088)	(5.6)	16,578	17,557	(979)	(5.6)
7. Four Axle Truck with or without Trailer, Class 1 Vehicle with Two-Axle Trailer	35,708	35,966	(258)	(.7)	35,708	35,966	(258)	(.7)
8. Bus	137,431	137,516	(85)	(.1)	82,459	82,513	(54)	(.1)
9. Commuter	1,130,076	1,119,425	10,651	1.0	452,030	447,770	4,260	1.0
10. Non-Revenue	104,246	101,306	2,940	2.9				.0
Totals	15,696,539	15,353,872	342,667	2.2	\$9,199,155	\$8,991,480	\$207,675	2.3

MASSACHUSETTS TURNPIKE AUTHORITY
COMPARISON OF INTERCHANGE TRANSACTIONS
JANUARY-DECEMBER 1985 VS JANUARY-DECEMBER 1984



Ticket Controlled Section Interchange	No.	Entrance		Increase or (Decrease)	%	Exit		Increase or (Decrease)	%
		1985	1984			1985	1984		
W. Stockbridge	1.	2,423,261	2,290,968	132,293	5.8	2,388,730	2,249,907	138,823	6.2
Lee	2.	1,246,111	1,167,134	78,977	6.8	1,287,527	1,199,841	87,686	7.3
Westfield	3.	1,719,313	1,619,368	99,945	6.2	1,754,235	1,649,900	104,335	6.3
W. Springfield	4.	3,001,435	2,848,172	153,263	5.4	3,057,355	2,911,615	145,740	5.0
Chicopee	5.	1,532,354	1,470,176	62,178	4.2	1,432,596	1,383,203	49,393	3.6
Springfield	6.	2,452,883	2,263,672	189,211	8.4	2,535,655	2,335,877	199,778	8.6
Ludlow	7.	1,325,241	1,246,354	78,887	6.3	1,264,593	1,190,876	73,717	6.2
Palmer	8.	1,650,349	1,492,808	157,541	10.6	1,605,518	1,448,365	157,153	10.9
Sturbridge	9.	5,759,316	5,524,355	234,961	4.3	5,791,487	5,538,432	253,055	4.6
Auburn	10.	4,820,589	4,512,735	307,854	6.8	4,733,863	4,424,807	309,056	7.0
Millbury	11.	1,380,475	1,244,575	135,900	10.9	1,509,845	1,375,746	134,099	9.7
Westborough	11.A	5,192,079	4,725,970	466,109	9.9	4,986,864	4,542,128	444,736	9.8
Framingham	12.	3,368,937	3,213,291	155,646	4.8	3,605,734	3,408,659	197,075	5.8
Natick	13.	6,019,756	5,825,287	194,469	3.3	6,137,386	5,906,112	231,274	3.9
Weston	14.	7,458,354	7,045,028	413,326	5.9	7,091,412	6,755,402	336,010	5.0
Newton	15.	7,610,727	7,230,122	380,605	5.3	7,778,380	7,399,145	379,235	5.1
Total Ticket Controlled Section		56,961,180	53,720,015	3,241,165	6.0	56,961,180	53,720,015	3,241,165	6.0
Barrier Controlled Section									
Newton - 128	15.					13,590,575	13,049,313	541,262	4.1
West Newton Allston	16.					3,381,494	3,176,342	205,152	6.5
Off East - On West	18.					9,775,167	9,247,254	527,913	5.7
Thru Traffic	19.					23,791,033	22,744,487	1,046,546	4.6
Off West - On East	20.					8,542,413	8,057,626	484,787	6.0
Total Barrier Controlled Section						59,080,682	56,275,022	2,805,660	5.0
Totals Massachusetts Turnpike						116,041,862	109,995,037	6,046,825	5.5

MASSACHUSETTS TURNPIKE AUTHORITY
COMPARISON OF INTERCHANGE REVENUE
JANUARY-DECEMBER 1985 VS JANUARY-DECEMBER 1984



Ticket Controlled Section Interchange	No.	Revenue		Increase or (Decrease)	%
		1985	1984		
W. Stockbridge	1.	\$ 7,271,227	\$ 6,794,289	\$ 476,938	7.0
Lee	2.	1,984,503	1,857,657	126,846	6.8
Westfield	3.	1,100,916	1,039,738	61,178	5.9
W. Springfield	4.	3,100,270	2,926,746	173,524	5.9
Chicopee	5.	875,943	842,402	33,541	4.0
Springfield	6.	3,114,015	2,909,013	205,002	7.0
Ludlow	7.	889,193	841,652	47,541	5.6
Palmer	8.	1,220,878	1,114,679	106,199	9.5
Sturbridge	9.	6,980,028	6,707,475	272,553	4.1
Auburn	10.	5,424,866	5,035,108	389,758	7.7
Millbury	11.	1,435,250	1,328,699	106,551	8.0
Westborough	11.A	5,257,621	4,795,625	461,996	9.6
Framingham	12.	2,061,675	1,953,949	107,726	5.5
Natick	13.	2,910,107	2,811,369	98,738	3.5
Weston	14.	7,213,458	6,768,838	444,620	6.6
Newton	15.	8,481,933	8,055,006	426,927	5.3
Total Ticket Controlled Section		\$59,321,883	\$55,782,245	\$3,539,638	6.3
Barrier Controlled Section					
Newton - 128	15.	\$ 4,833,323	\$ 4,642,169	\$ 191,154	4.1
West Newton Allston	16.	673,361	631,988	41,373	6.5
Off East - On West	18.	2,555,560	2,430,271	125,289	5.2
Thru Traffic	19.	9,934,993	9,503,371	431,622	4.5
Off West - On East	20.	3,080,371	2,904,081	176,290	6.1
Total Barrier Controlled Section		\$21,077,608	\$20,111,880	\$ 965,728	4.8
Car Pool Program		\$ 46,515	\$ 51,351	\$ (4,836)	(9.4)
Totals Massachusetts Turnpike		\$80,446,006	\$75,945,476	\$4,500,530	5.9


His Excellency Michael S. Dukakis
Governor of the Commonwealth of Massachusetts
and
Members of the Senate and House of Representatives
State House
Boston, Massachusetts 02133

His Excellency and Honorable Members

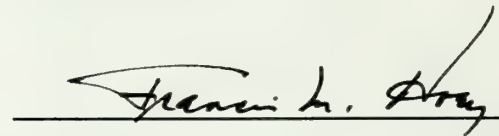
In accordance with the provisions of section 20, subsection 5, paragraph (i) of Chapter 32 of the General Laws, we are pleased to submit herewith, for publication in the Massachusetts Turnpike Authority Annual Report to the Governor and General Court, a copy of the report of the financial condition of the Massachusetts Turnpike Authority Employees' Retirement System as of December 31, 1985.



S. J. Britton
Ex-officio-Chairman



Joseph Maloney
Appointed Member



Francis M. Hoey
Elected Member

**MASSACHUSETTS TURNPIKE AUTHORITY
EMPLOYEES' RETIREMENT SYSTEM
STATEMENT OF CONDITION
AS OF DECEMBER 31, 1985**



Assets		1985	1984
<i>(unaudited)*</i>	Cash in Bank	\$ 2,131	\$ 1,086
	Investments		
	Government bonds	4,433,495	4,400,506
	Railroad equipment trust certificates	2,299,485	2,101,338
	Public Utility bonds	2,832,129	2,805,716
	Bank & industrial notes & bonds	3,609,869	3,105,216
	Telephone bonds	7,978,254	7,265,319
	Mortgage loan pass-through certificates	86,214	211,038
	Bank & insurance stocks	1,559,563	307,390
	Short-term investments	6,984,912	4,650,547
	Guaranteed interest contracts	1,000,000	1,000,000
	Accrued interest on investments	723,262	682,607
	Due for deductions from other sources		112
	Due for workers' compensation credits	5,261	5,762
	Principal adjustment account	173,904	
	Total Assets	\$31,688,480	\$26,536,637
<hr/>			
Funds and Liabilities			
	Annuity Savings Fund	\$ 9,246,189	\$ 8,560,515
	Annuity Reserve Fund	2,021,764	1,874,332
	Pension Fund	-0-	4,540,071
	Expense Fund	93,385	73,321
	Pension Reserve Fund	20,327,142	11,488,378
	Re-deposit of employee deductions		20
	Total Funds and Liabilities	\$31,688,480	\$26,536,637

*(See Notes to Financial Statements)

MASSACHUSETTS TURNPIKE AUTHORITY
EMPLOYEES' RETIREMENT SYSTEM
STATEMENT OF CASH
AS OF DECEMBER 31, 1985

Assets		1985	1984
<i>(unaudited)*</i>			
	Cash in Bank, January 1	\$ 1,086	\$ 1,191
	Short-term investments, available cash	4,650,647	3,671,347
	Total cash available	\$ 4,651,733	\$ 3,672,538
Receipts			
	Members' contributions	\$ 1,113,952	\$ 1,038,939
	Transfers of members' accounts from other systems		3,617
	Pension reimbursements from other systems	73,221	70,637
	Massachusetts Turnpike Authority:		
	Pension Fund appropriation	1,911,660	1,857,570
	Expense Fund appropriation	150,950	84,700
	Pension Reserve Fund appropriation	1,475,900	1,872,400
	Workers' Compensation credits	5,023	2,205
	Redeposits	717	468
	Sale or maturity of investments	2,429,800	751,210
	Net gain on sale or (loss) on sale of investments	(12,675)	16,849
	Return of principal on mortgage		
	loan pass-through certificates	107,141	82,228
	Investment income	3,011,635	2,501,888
	Total Receipts	\$10,267,324	\$ 8,282,711
Disbursements			
	Regular Annuity payments	\$ 191,188	\$ 165,035
	Option (b) annuity payments to beneficiaries	15,637	28,654
	Pension payments	2,093,105	1,804,565
	Pension reimbursements to other systems	11,147	5,723
	Refunds to members inactive	308,923	109,569
	Transfers of member accounts to other systems	19,026	5,887
	Administrative expenses	131,192	91,287
	Investments	4,939,369	4,998,616
	Accrued interest purchased	39,369	94,180
	Unamortized principal adjustment on bond exchanges	173,904	
	Principal adjustment amortization	9,153	
	Total Disbursements	\$ 7,932,013	\$ 7,303,516
	Balance, December 31, 1985 and 1984	\$ 6,987,043	\$ 4,651,733
	Cash in bank, December 31	\$ 2,131	\$ 1,086
	Short-term investments, available cash	\$ 6,984,912	\$ 4,650,647
	Balance December 31	\$ 6,987,043	\$ 4,651,733

*(See Notes to Financial Statements)

EMPLOYEES' RETIREMENT SYSTEM

The Massachusetts Turnpike Authority Employees' Retirement System (the System) was established as a contributory retirement system subject to the provisions of Massachusetts General Laws, Chapter 32, sections 1-28, by the enactment of Chapter 597 of the Acts of 1967 and its acceptance by the Massachusetts Turnpike Authority. The operative date was July 1, 1968.

The System is managed by a board of three members, viz: S.J. Britton, secretary-treasurer of the Authority, member ex-officio and Chairman; Attorney J. Joseph Maloney, appointed member, who was first appointed by the Massachusetts Turnpike Authority on May 9, 1968 to take effect on July 1, 1968 and who has served consecutively since that date; and Francis M. Hoey, elected member, who is serving his seventh consecutive term following re-election by the membership in 1985.

Provision was made for funding of past service liability of the System by the enactment of Chapter 566 of the Acts of 1978. Under this amendment, the Massachusetts Turnpike Authority is required to fund and pay to the System the sum of (a) the normal pension cost for the current year, and (b) an amount sufficient to amortize unfunded past service liability prior to dissolution of the Authority. All such required payments for the first statutory period 1978 through 1983 were transferred and credited to the System.

The enactment in December, 1983 of Chapter 661 of the Acts of 1983 significantly amended the provisions of Chapter 32, sections 1-28, relative to the administration, funding and investment policies of the public employee retirement systems in the Commonwealth of Massachusetts. The following is a brief summary of some of the major provisions in this new law: 1.) established a Pension Investment Advisory unit within the Division of Public Employee Retirement Administration; 2.) established the Pension Reserve Investment Management (PRIM) Board and the Pension Reserve Investment Trust (PRIT) Fund; 3.) limited the interest paid to members of a retirement system who voluntarily withdraw from service and who seek a return of accumulated total deductions; 4.) required deduction of 8% from regular compensation for employees who commence service on or after January 1, 1984.

In addition to the foregoing, Chapter 661 of the Acts of 1983 requires each retirement system to establish a pension reserve fund for the purpose of meeting unfunded pension liabilities and, by various changes in existing law, made provision for certain internal transfers to the fund in addition to any direct appropriations by applicable legislative body. In accordance with this statutory requirement, the Board dissolved the Past Service Liability Fund, which was established on the Books of the System on October 19, 1978, and transferred fund assets to the System's newly-established Pension Reserve Fund.

ACCOUNTING POLICIES

The accounting policies of the System follow the principles and practices for public employee contributory retirement systems promulgated by the Commonwealth of Massachusetts, Division of Public Employee Retirement Administration, pursuant to Chapter 32, section 21 of the Massachusetts General Laws, as amended.

Prior to January 1, 1983, records of the System had been audited periodically by the Commonwealth of Massachusetts, Division of Insurance. Pursuant to Chapter 630 of the Acts of 1982, supervision of the public employee retirement systems in the Commonwealth subject to Chapter 32, including the conduct of audits, was transferred from the Division of Insurance to the Division of Public Employee Retirement Administration (PERA). The last such audit of the records of the System for the year 1983 was conducted by PERA in October, 1984. Additionally,

in August, 1978, the Board authorized an audit by an independent accounting firm of refunds of retirement contributions to former employees of the Authority. This audit was completed in January, 1979 and included the ten-year period from July 1, 1968 through June 30, 1978.

Pursuant to Chapter 840, section 15.01, Commonwealth of Massachusetts Regulations, an affidavit was obtained from each retiree and beneficiary receiving a retirement or survivorship allowance from the System in 1985.

Direct automatic deposit of retirement allowance payments to individual bank accounts of retirees and beneficiaries numbered 158 in December, 1985, representing 35% of the total number of recipients.

INVESTMENTS

Assets of the System are invested pursuant to the provisions and limitations of Chapter 32, section 23. Investment earnings for the year 1985 totalled \$3,260,710 representing a rate of return of 11.21% of the mean ledger assets of the System. Of this amount, \$2,019,275 was attributable to investments of the Pension Reserve Fund (formerly the Past Service Liability Fund), and such amount was credited to that fund on December 31, 1985. The balance of \$1,241,435 investment earnings was applied to the funds of the System in accordance with the statute as follows:

Annuity Savings Fund	\$ 443,998
Annuity Reserve Fund	58,922
Pension Reserve Fund-Excess Earnings	738,515
Total	\$1,241,435

In addition to the excess earnings of \$738,515 for the year 1985 credited to the Pension Reserve Fund, the Board transferred a surplus in the Pension Fund of \$4,500,000 to the Pension Reserve Fund in the form of cash and securities in 1985. Prior to the enactment of Chapter 661 of the Acts of 1983, excess earnings were credited annually to the Pension Fund. On December 31, 1984, the Board credited excess earnings for the year 1984 totalling \$1,375,717 to the Pension Reserve Fund.

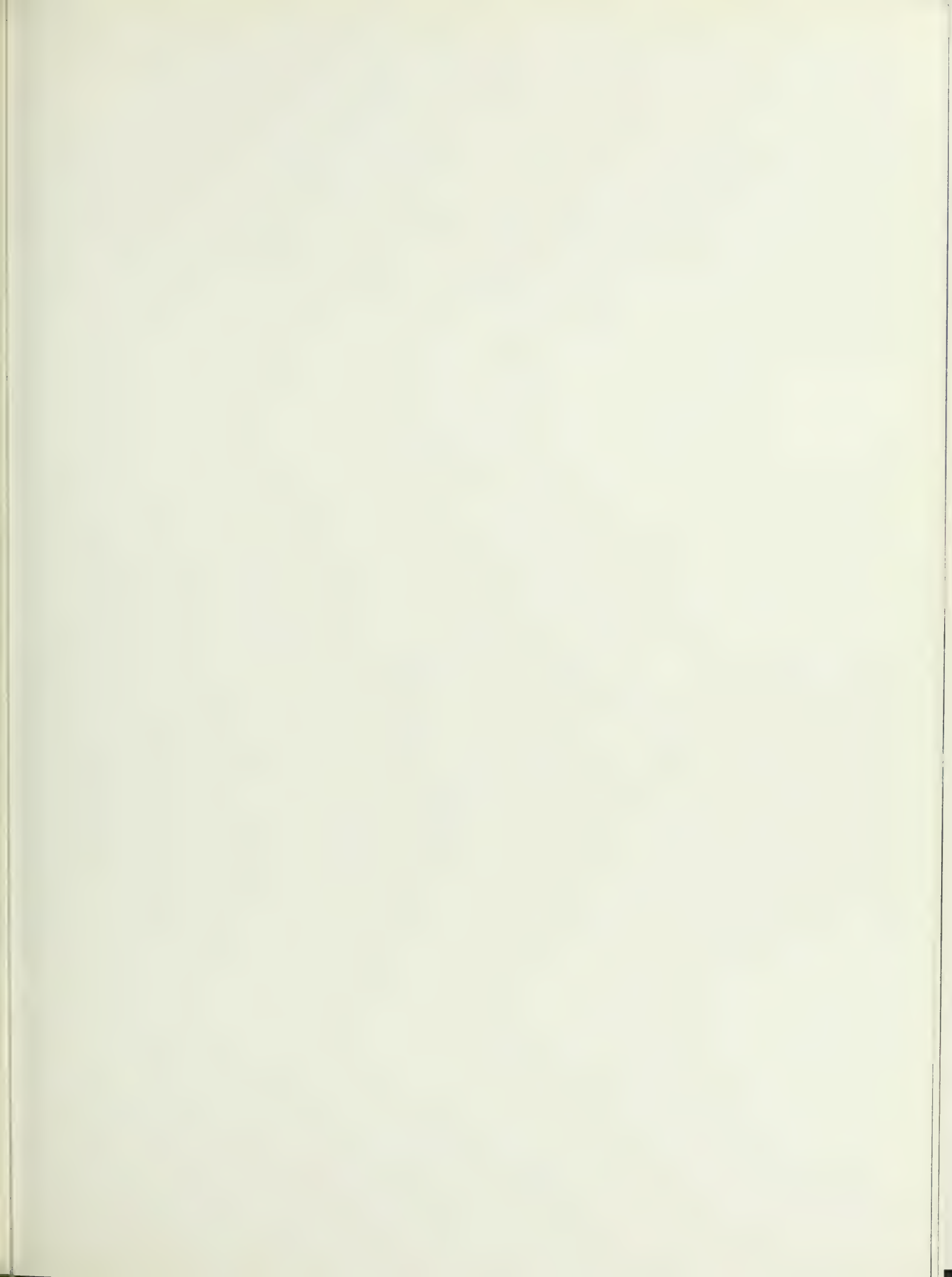
In 1982, the Board voted to participate to the extent of \$500,000 with other public retirement systems in Massachusetts in a mortgage loan pass-through certificate program, yielding 15.25% to the system. The program made funds available to Massachusetts residents for home mortgages at a fixed rate through participating local banks throughout the Commonwealth.

BENEFITS

During 1985, 33 employees were retired by the Board, bringing to 542 the number of employees who have been retired since the inception of the System in 1968. Retirement allowances totalling \$2,283,783 were paid in 1985 to retirees and beneficiaries of deceased members of the System. Of this amount, \$191,183 were annuity payments (employee contributions and investment

earnings thereon), and \$2,092,599 were pension payments (contributions by the Massachusetts Turnpike Authority). Pension reimbursements totalling \$73,221 were received from other systems and reimbursements of \$11,147 were paid to other systems. Recipients of retirement benefits as of December 31, 1985 numbered 357 retirees and 94 survivors and beneficiaries.





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MASSACHUSETTS TURNPIKE AUTHORITY



1986 ANNUAL REPORT

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MASSACHUSETTS TURNPIKE AUTHORITY

The Massachusetts Turnpike Authority was created by Chapter 354 of the Acts of 1952 as an autonomous instrumentality of the Commonwealth to discharge the public functions which have, from time to time, been delegated to it by the Legislature. The Authority acts through a board of three members, one of whom is designated as Chairman, that are appointed by the Governor for terms of eight years.

The Authority operates two separate and financially distinct facilities, i.e., the Massachusetts Turnpike and the Callahan-Sumner Tunnels. The facilities were financed by means of three revenue bond issues totalling over five hundred million dollars. Neither the faith and credit nor the taxing power of the Commonwealth of Massachusetts or of any political subdivision thereof is pledged to the payment of the principal of or interest of the bonds. The funds providing for the maintenance, operation and policing of these facilities, as well as principal and interest payments on the bond issues, are derived solely from tolls and other revenues generated by users.

GOVERNMENT DOCUMENTS
COLLECTION

AUG 26 1987

University of Massachusetts
Depository Copy

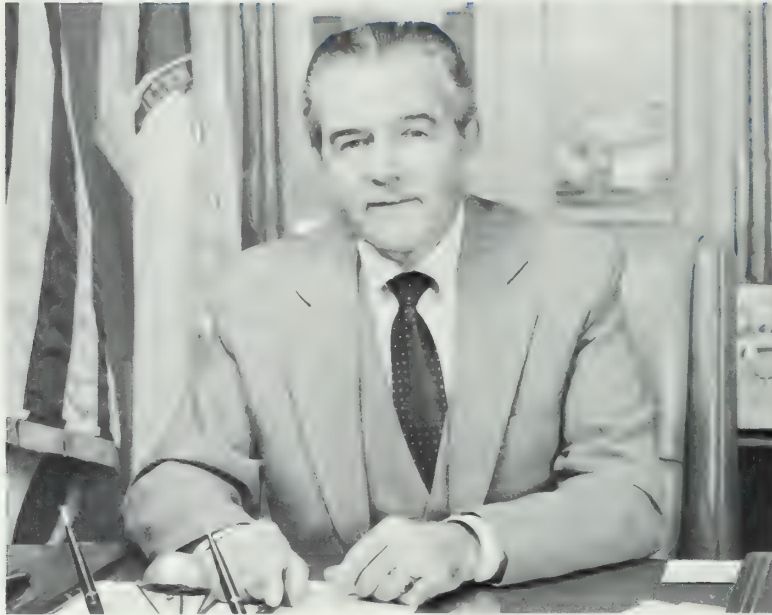
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MASSACHUSETTS TURNPIKE AUTHORITY

BOARD MEMBERS



John T. Driscoll
Chairman



Edward T. Hanley
Vice Chairman



Anne H. McHugh
Member

MASSACHUSETTS TURNPIKE AUTHORITY

STAFF MEMBERS

Top Row

S.J. Britton

Secretary-Treasurer

J.W. Francis

Director of Personnel

E.F. Saunders

Resident Counsel



Second Row

W.P. Driscoll

Superintendent of Tunnels

D.R. Nagle

Director of Real Estate

E.M. King

*Director of
Community Relations*



Third Row

M.C. Crain

Chief Engineer

J.T. Dias

Maintenance Engineer

J.A. Vitagliano

*Superintendent of
Toll Collection*



Bottom Row

J.N. Grim

Assistant Chief Engineer

R.A. Morse, Jr.

Commander, Troop 'E'

Mass. State Police

F.H. Blackburn

Equal Employment

Opportunity Officer

H. Healy

Secretary to Chairman



Staff Members

Not Pictured

P.F. Byron

Assistant Secretary

Assistant Treasurer

W.M. Coffill

Manager of

Computer Services

K.R. Lewis

Controller

G.F. Coughlin

*Secretary to
Retirement Board*

W.D. Crowther

*Assistant Superintendent
of Tunnels*



MASSACHUSETTS TURNPIKE AUTHORITY

STATE TRANSPORTATION BUILDING

SUITE 5170 - 10 PARK PLAZA

BOSTON, MASSACHUSETTS 02116

JOHN T. DRISCOLL, CHAIRMAN
EDWARD T. HANLEY, VICE-CHAIRMAN
ANNE H. MCHUGH, MEMBER



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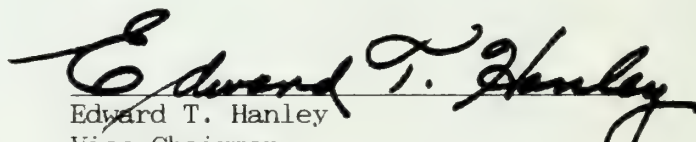
His Excellency Michael S. Dukakis
Governor of the Commonwealth of Massachusetts
and
Members of the Senate and House of Representatives
State House
Boston, Massachusetts 02133

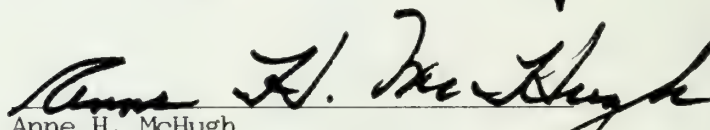
His Excellency and Honorable Members:

In accordance with this Authority's enabling legislation, section 15, Chapter 354, Acts of 1952, as amended, we are pleased to submit herewith the Thirty-third Annual Report of the Massachusetts Turnpike Authority covering the 1986 operation of the Massachusetts Turnpike and the Callahan-Sumner Tunnels.

Further, in accordance with the provisions of Chapter 32, section 20, subsection 5, paragraph (i) of the General Laws, we are also submitting herein the report of the financial condition of the Massachusetts Turnpike Authority Employees' Retirement System as of December 31, 1986.


John T. Driscoll
Chairman


Edward T. Hanley
Vice-Chairman


Anne H. McHugh
Member

FINANCIAL HIGHLIGHTS 1986

In 1986, for the first time in its history, the Massachusetts Turnpike Authority's combined gross annual revenues exceeded one hundred million dollars, viz.: \$103,880,130. Gross revenues of the Massachusetts Turnpike increased by 6.1% from \$88,318,421 to \$93,728,602. Callahan-Sumner Tunnels gross revenues increased from \$9,965,908 to \$10,151,528, or by 1.9%. The Authority's combined 1986 operating expenses of \$41,524,392 were 11.1% greater than 1985 operating expenses and combined net revenues amounted to \$62,355,738, an increase of \$1,460,141, or 2.4% above 1985 net revenues.

A total of \$15,520,010 principal amount 5% Series B Revenue Refunding bonds were retired in 1986, leaving a balance of \$46,123,545 outstanding as of December 31, 1986. The average purchase price of Series B bonds retired in 1986 was 104.071.

A total of \$2,538,000 principal amount Callahan-Sumner Tunnels 4.75% Series 1959 Tunnel Revenue bonds were retired during 1986 at an average purchase price of 98.527. Outstanding Callahan-Sumner Tunnels bonds have been reduced from \$54,400,000 to \$8,147,000, or by 85.0%, as of December 31, 1986.

The following bonds have been purchased/ called and retired by the Authority through 1986:

Issue	Principal Amount
Turnpike Revenue Bonds, Series 1954, 3.30%, due 5/1/94	\$239,000,000
Turnpike Revenue Bonds, Series 1968, 5.25%, due 5/1/2008	15,000,000
Boston Extension Series B Refunding Bonds, 5%, due 1/1/2002	61,476,455
Tunnel Revenue Bonds, Series 1959, 4.75%, due 4/1/99	44,653,000
Tunnel Revenue Bonds, Series 1959, 4.25%, due 4/1/99	1,600,000
Total	\$361,729,455

Additionally, on December 30, 1983, the Authority called for refunding the \$80,000,000 4%-5% Boston Extension Series B Revenue bonds effective March 1, 1984, and authorized in replacement thereof, the issuance of \$107,600,000 5% Boston Extension Series B Revenue Refunding Bonds (the Series B Refunding bonds).

In July 1986, the Massachusetts Turnpike Authority issued \$40,000,000 of Turnpike Improvement Revenue Bonds, 1986 Series A. This bond issue, the Authority's first since 1968, consisted of \$22,000,000 6¾% term bonds due January 1, 2025 and \$18,000,000 7½% term bonds due January 1, 2026. The bond proceeds will be utilized to fund, in part, the Authority's six-year Capital Improvement and Replacement Program which includes a diverse range of renovation, improvement and maintenance projects. Implementation of the Capital Improvement and Replacement Program will enable the Authority to address capacity concerns created as a result of the substantial increase in Turnpike traffic and to maintain the Turnpike in good condition and repair for the benefit of the motoring public. The total cost of the program is estimated to be approximately \$236,473,000.

The Authority is pleased to also report that in July, 1986, in conjunction with the issuance of the \$40,000,000 of Turnpike Improvement Revenue Bonds, the Authority's Turnpike bond rating was increased from A/Baa to A-1 by Moody's Investor Services, Inc. and from A to A + by Standard & Poor's Corporation.

FINANCIAL HIGHLIGHTS 1986

REPLACEMENT RESERVE PROJECTS

Construction work on the Turnpike and Tunnel facilities involved repairing and rebuilding the existing facilities. Projects having a total value of \$17.5 million were performed in 1986 under the Replacement Reserve Program. Some \$6 million worth of work was carried over from the two year contracts awarded during 1985. The 1986 program included \$9.5 million for bridge repairs, \$1 million for roadway improvements and nearly \$1 million for improvements to interchange toll plazas.

Bridge Repairs

Contracts were awarded for the replacement of eight bridge decks carrying Turnpike traffic over local roads. Seven of the bridge decks were located between Interchange 11 in Millbury and Interchange 12 in Framingham. The eighth bridge was located at mile 17.3 in the Town of Becket. These contracts required completion of work on both roadways in one year. For bridges between Interchanges 11 and 12, the normal three lanes for traffic were maintained in both directions throughout the construction period, minimizing the effect on traffic. For the bridge located at mile 17.3, traffic was restricted to one lane in each direction until June 30, at which time construction on two lanes was completed and the normal two lanes for traffic were made available for peak summer traffic.

The 1985 carryover contracts included the replacement of seven bridge decks between Interchange 9 and Interchange 11. This work was completed in 1986 on schedule.

Bridge deck repairs were made by contract on the westbound roadway of Structure No. 11 east of Interchange 15 in Weston and Structures Nos. 3, 4 and 5 on Ramp G at Interchange 15. These repairs were performed in a manner that permitted uninterrupted travel during peak commuter traffic hours.

In conjunction with the bridge deck reconstructions, the contracts included items of work for the repair of bridge substructures, bearings, and joints as well as on the adjacent drainage structures of the approaches.

Roadway Improvements

Right-of-way fencing was replaced at various locations and anti-missile fencing on overhead bridges was installed between mile 63.5 and mile 116.5 in the Towns of Palmer, Sturbridge, Charlton, Auburn, Millbury, Grafton and Framingham.

Slope repairs were performed from mile 74.9 to mile 76.8 in the town of Sturbridge at selected locations to stabilize the earth slopes.

At Interchange 9, 10 and 11A in Sturbridge, Auburn and Westborough respectively, pavement was milled and replaced with one and one-half inches of bituminous concrete pavement to remove rutting. High stability type asphalt mixes were used at Interchanges 9 and 11A. Their ability to resist rutting at the toll lanes will be monitored. At Interchange 10 in Auburn, the approaches to the toll plaza were resurfaced with an experimental pavement where an additive known as Verglimit was mixed in the asphalt material. This additive has the potential to retard the formation of ice on the asphalt pavement.

Toll Plaza Improvements

At Interchange 15 in Weston the utility building was expanded to meet the needs of the increased number of toll personnel assigned to that location. Contracts awarded in 1985 for expansion at interchanges were completed during 1986 with the exception of Interchange 6 in Chicopee, which is scheduled for completion in 1987.

Maintenance Facility Improvements

The Auburn Maintenance Facility was expanded with the addition of a 7,800 square foot garage including a wash bay, hydraulic lifts, overhead crane and storage area. Also, offices were provided for the field engineering personnel located at the facility.

At Interchange 9 in Sturbridge, a bulk storage building was constructed to provide for storage of deicing chemicals used for winter maintenance operations.

FINANCIAL HIGHLIGHTS 1986

REPLACEMENT RESERVE PROJECTS (CONT.)

Callahan-Sumner Tunnels

Seven contracts were awarded during 1986 for projects totaling one million dollars. The projects provided for replacing manholes in the Sumner Tunnel, extending the dry stand pipe system in both tunnels, repairing the portal pump rooms in the Sumner Tunnel, pavement resurfacing and drainage changes at the Tunnel Administration Building, toll plaza lane repairs and roofing replacement at the East Boston Garage.

Toll Collection Equipment

The contract awarded in 1984 for a computerized toll collection system has progressed through design, fabrication, delivery, and initial site preparation. All toll plazas are scheduled to be converted to the new system in early 1987.

Toll equipment at the Callahan-Sumner tunnels will also be replaced with the new toll collection system. The change over at the tunnels will follow the work on the Turnpike, all under the same contract.

TRAFFIC IMPROVEMENT PROGRAM

On May 23, 1986, the Turnpike Authority authorized a capital improvement program to include improvements to Turnpike toll collection systems, access ramps and sections of the mainline roadway. The program will be financed by \$40 million of Turnpike Improvement Revenue Bonds issued in 1986, augmented with regular replacement reserve funds.

The improvements are expected to take place over a four-year period at a total cost of approximately \$64 million. A toll increase is not contemplated to finance any of the proposed projects.

The improvements can be classified in two categories. One category consists of roadway and ramp widenings to provide increased capacity and improved safety. Two lanes are to be added to the 6.5 mile segment of the Turnpike Exit 13 in Natick (Route 30) and Exit 14 in Weston (Route 128). Ramps at Exits 9, 10, 11A, 12, 13 and 14 are also to be widened.

The other category of improvements involves a change in the method of toll collection in order to reduce congestion at the toll plazas. The current ticket method of payment will be replaced with a fixed-fee system to be instituted east of Route I-495 from Framingham to Route 128 at Exits 12, 13, 14 and 15. The fixed-fee system can process a significantly higher volume of traffic more rapidly than the ticket system as has been demonstrated on the Boston Extension of the Turnpike.

The Massachusetts Executive Office of Environmental Affairs has determined that an Environmental Impact Report must be prepared for the mainline widening between Exits 13 and 14, ramp widenings at Exit 13, ramp widenings at Exit 14 and the proposed change in the toll collection system. In addition, the EIR is to include the additional truck parking proposed at service area 8E in Natick. Since the environmental impacts of all five actions are interrelated they are to be evaluated as a single project.

The environmental evaluation process is expected to be completed in about nine months after it begins in early 1987. Construction is anticipated for 1988.

Improvements planned at Exit 9 in Sturbridge and Exit 10 in Auburn do not require the preparation of an EIR. The westbound off ramp at Exit 9 is to be widened to three lanes and thereby reduce congestion which occurs during peak travel periods. To improve traffic flow at Exit 10, a toll lane is to be added and the ramps to and from the west are planned to be widened to two lanes. Construction of the projects at Exits 9 and 10 is scheduled to begin in 1987.

HIGHLIGHTS 1986

COMMUNICATIONS

During 1986, a communication consultant was engaged to make recommendations for a complete new digital communication system that would integrate all Authority facilities into a private communications network. Their services include detailed design and the preparation of contract documents for bidding.

A new system is required as there are repeated failures and inadequacies in the current outdated system.

It is anticipated that the new communications system will consist of a microwave and fiber optics backbone that will connect new mobile radio and telephone systems along the entire length of the Turnpike as well as at the Callahan-Sumner Tunnels. In addition, the new system will have the capability of transmitting data among the various Turnpike Authority facilities.

TOLL COLLECTION

The Toll Collection Division processed a record breaking 122,822,255 vehicles on the Massachusetts Turnpike for 1986, an increase of 5.8%, compared to 1985. The busiest interchange in 1986 was No. 19 in Allston, with the biggest yearly increase occurring at Interchange 11A in Westborough.

In 1986, Class One vehicles (automobiles, vans, and light trucks), accounted for 92% of the total Turnpike traffic.

In 1986, the Toll Collection Division took on a new look, with the toll booths changing to a light blue and introduction of new toll collector uniforms that also have a blue theme. The positive impact to this new look generated more compliments from the motoring public about the Turnpike's image than any other program in memory.

Significant progress was made in 1986 towards the implementation of a new electronic toll collection system that is designed to meet the projected traffic growth of the next decade. Much of the necessary infrastructure work at the toll plazas has already been completed, and one half of the toll collection force has received training on the new system.

The Thanksgiving holiday period saw an increase of 8% compared to last year. Nonetheless, there were significant reductions in toll plaza congestion, especially at Interchanges 9 in Sturbridge and 10 in Auburn, because of the extra toll booths that were added in 1986, and the use of pre-toll booth collectors who performed superbly even in the face of a driving rainstorm.

SAFETY RECORD

During 1986, activities of the State Police assigned to Troop E on the Massachusetts Turnpike helped produce an all time traffic safety record for the Authority.

The number of vehicular miles traveled increased as did the number of motor vehicle personal injury accidents. There were more construction projects and traffic detours than in previous years. Despite this, the State Police, through a campaign of selective enforcement, reduced the fatality rate to an all time low of .30. The Massachusetts Turnpike Authority will stand as one of, if not the safest, toll roads in the nation.

The motor vehicle laws, including the national 55 mph speed limit, continue to be enforced with over 50,000 citations issued. The use of saturation patrols has resulted in a 50% increase in the apprehension of the drunk driver. Over 26,000 disabled motorists were assisted during the year. The State Police plan to increase their effort in 1987.

HIGHLIGHTS 1986

MAINTENANCE

Callahan-Sumner Tunnels

The walls and ceilings at the Sumner and Callahan Tunnels have been scrubbed cleaner than ever before using a Schmidt-Unimog tunnel washing machine that was delivered early this year.

A rotary scrubbing brush fitted to a hydraulic boom and mounted on a special truck chassis accomplishes the work that previously required a crew of maintenance workers. The seven foot brush is driven hydraulically.

Contact to the tunnel wall and ceiling surfaces is kept constant by dual automatic controls. One control actuates the lateral shift of the entire boom on the Unimog chassis. The other control adjusts the brush inclination, compensating for the crown in the road surface.



The boom rotates on a 180 degree turnstyle to facilitate cleaning opposite walls inside the tunnels and can also be extended vertically to reach the ceiling. This equipment scrubs the tunnels at a rate of approximately 6000 sq. ft./hr.

ROAD SURFACE AND WEATHER MONITORING SYSTEM

In cooperation with the Massachusetts Department of Energy, the Turnpike Authority is in the process of completing the installation of a Road Surface Condition and Weather Monitoring System which will provide accurate pavement surface and atmospheric data from sensors positioned at critical bridge and roadway locations on the Turnpike. Three

of four installations are powered by photovoltaic systems which use the radiant energy of the sun. The road surface and weather information will assist the Turnpike Authority's Maintenance Forces in determining where and when applications of deicing chemicals are needed and thereby will help conserve road salt and prevent costly reapplications.

CAR POOLING

The Authority's C.P.I.D. (Car Pool Program) continues to be a success. Commuters, who form car pools of at least 3 persons, travel the turnpike at a considerably lower toll rate.

This is the seventh year of our reduced toll program.

REAL ESTATE

Last year proved to be an exciting and productive year for the Real Estate Department. A long term multi-million dollar agreement was negotiated with Lightnet for the installation of conduits for fiber-optic cable on the turnpike, a new lease was negotiated with F.L. Roberts & Company, Inc., the operator of ten of the

service stations on the turnpike, the Tow Contractor Agreements were revised, a personal computer was purchased to facilitate the work of the department, and more particularly, attention was paid to improving the operations of the Patron Services Division.

HIGHLIGHTS 1986

REAL ESTATE

Air-Rights Development

The Authority's program to participate in economic development continued in 1986. Many of the proposed projects involved parking facilities, office, retail and residential complexes. Most notable, however, were the number of projects reviewed which provided percentages of residential units for low and moderate income persons. Moreover, community participation continued to play an important role in determining the type of developments which ultimately will be on a particular site. A project of note was the Washington Street Trust (Frost Motors, Inc.) which has submitted a zoning change application for the expansion of its showroom, parking and office facilities in Newton. Interest was also shown in several parcels of land owned by the Authority, particularly Allston Landing in Allston/Brighton and certain sections of the Turnpike Extension. In fact, Harvard University's Urban and Design Department developed a program studying the Allston Yards where students developed master plans and displayed models of potential uses for the site. 1987 looks to be an exciting year for consideration of development proposals.

Licensing And Leasing

The Real Estate Department had an active year negotiating licenses and leases involving Authority property. Revenue was generated this year as a result of the licenses and leases in excess of 6 million dollars.

Patron Services

Particular attention was paid to improving the operations of the Patron Services Division. Meetings were held with the Emergency Service Patrol personnel resulting in better communication within the division. Every aspect of the division was scrutinized including supervision, personnel policies, relationships with lessees and equipment. A new three year agreement was negotiated with F.L. Roberts & Company, Inc. which, in part, eliminated the provision of emergency service by them. Additionally, the Tow Contract Agreements were revised and many enhancements, including a rate increase, will be implemented in 1987. Monitoring of our emergency service efforts were further enhanced by the increased coordination with the Authority's Auditing Department and the State Police.

Service Areas

The Authority examined all its facilities at the service areas for the purpose of making capital improvements wherever necessary.

Parking area expansion and building improvements are planned for 1987.

The Marriott Corporation, successor to Howard Johnson Co. is planning to remodel and convert to fast food operations a number of its turnpike restaurants. Increased restaurant patronage indicates the motoring public has enthusiastically accepted this type of food service.

Improvements will be made to the gasoline stations buildings including the addition of canopies where none now exist. It is expected that self service operations will be instituted at all gas stations on the turnpike in 1987.

Interagency Cooperation

The Authority cooperated with other transportation agencies and agencies of state government in discussing or implementing key initiatives:

- Commerce and Development's Division of Tourism experienced a banner year at its tourist information centers on the turnpike.
- Continued discussions with the Executive Office of Transportation and Construction on satellite parking facilities, re-routing of a hazardous cargo truck route and other transportation related issues.
- Participated in the Governor's Beautification Program with cooperation from Conrail and other turnpike abutters.

Fiber-Optics

Telecommunications has made a dramatic entry into the everyday activities of our society. Its flexibility and versatility will certainly enhance future communication capabilities.

The Authority negotiated a long term multi-million dollar Agreement with Lightnet providing Lightnet with a right of way on the turnpike to install conduit for fiber-optic cables. It is anticipated that Lightnet's system will be operational during late 1987, thus allowing the Authority, state agencies and private customers access to this state of the art communication network. Negotiations with other communication providers will continue.

AFFIRMATIVE ACTION

EQUAL EMPLOYMENT OPPORTUNITY OFFICE

This reportage for 1986 presents a candid image of the efforts extended by the Authority, and its effects in meeting the compliance expectations of EEO/AA.

The Authority's employee population continued to reflect amelioration with regard to employment of minorities and women. The data which was assembled and analyzed for the duration of time covered in this report indicated that minorities were twelve percent of the accumulated work force. For that same time span and group, women were shown to be twenty percent of the totality.

This year's Summer Seasonal Program (utilized to obtain Summer employees) results, revealed that actions taken by the Authority to hire minorities and women were affirmative. Nineteen percent of the people who gained employment this Summer because of the Program were minority group members. Women accounted for twenty-two percent of the overall hired for the period.

The Authority's Purchasing (Goods, Services) and Construction Programs for Minority Business Enterprises (MBEs) both experienced success in their endeavors. They focused on identifying favorable sets of circumstances that would foster and sustain business relationships with minority enterprises. Once these objectives were achieved, contractual agreements were executed. The Authority awarded 76 contracts for goods and services to MBEs, totaling \$208,065.95. This represented 6% and 7%, respectively, of the dollar base for these categories. Under the Program design-

nated for construction 17 contracts were granted, which included MBE participation. The number of construction contracts let amounted to \$11,840,743.00. MBEs, in the aggregate, were recipients of contracts which came to \$1,178,265.00, or 10% of the Authority's dollar base for construction. The contracts secured by MBEs were sufficient to arrive at in one instance, and to exceed in others, the established percentages of business opportunities targeted for categories encompassed by the Programs.

The tenants of Copley Place, in the main, are responsible for acquiring and maintaining compliance with current affirmative action agreements contained in their leases. Displayed below are significant factors stemming from the tenant's attempts to reach the expected compliance status.

	No. Emp.	Percent Min.	Percent Women
Marriott Hotel	979	45%	48%
Westin Hotel	759	48%	40%
UIDC Management Inc.	261	59%	30%
Retail Tenants	1,321	21%	65%
Total	3,320	37%	52%

EEO/AA continues to be a policy which the Massachusetts Turnpike Authority is committed to, and pursues. To effectuate goals prescribed for employing members of protected groups, and those for providing business opportunities to MBEs, the Authority will maintain a non-biased environment. This will serve to promote the assurance of equity for everyone in all facets of the Authority.

CREDIT UNION 1986

Due in large part to the diligent efforts of a fifteen-member Board of Directors, the Turnpike Credit Union has grown impressively since being established in February, 1974.

Statistically, total assets increased to \$2,509,559 as of December 31, 1986. At year-end 881 Authority employees were members owning share account deposits of \$1,287,214, term deposits of \$330,541, money market deposits of \$517,911, and Christmas Club account deposits in the amount of \$24,835.

The Turnpike Credit Union enters 1987 looking forward to another year of providing a comprehensive program of savings and loan services to its membership.

SERVICE AWARDS FOR 1986

During 1986, the following personnel received Length of Service Awards:

25 YEARS

Eugene F. Berg
Assistant Foreman
Robert F. Besaw
Heavy Equipment Operator
Herman Blier
Assistant Foreman
Richard F. Goodno, Jr.
Foreman of Maintenance
Rene St. Laurent
Foreman of Motor Equipment Maintenance
Albert F. Sullivan
Toll Collector
Vincent M. Walsh
Foreman of Motor Equipment Maintenance

20 YEARS

Herbert F. Baker
Financial & Statistical Analyst
Matthew Beatty
Maintenance Worker
Raymond F. Brown
Heavy Equipment Operator
Denis J. Cahill
Purchasing Agent
John T. Dias
Maintenance Engineer
John W. Francis
Director of Personnel
Pasquale A. Fronduto
Supervisor of Tolls — Tunnel
John P. Hearn
Supervisor of Motor Pool
Richard Higgins
Electrician's Helper
Robert F. Sheldon
Sr. Toll Audit Clerk
Charles H. Winn
Heavy Equipment Operator

15 YEARS

Daniel C. Bates
Heavy Equipment Operator
Alan R. Brooks
Supervisor of Emergency Services
Normand H. Buteau
First Class Mechanic
Gerald F. Coughlin
Secretary to the Retirement Board
John DiGregorio
Emergency Patrol Service Person
Rudolph J. DiPasquale
First Class Mechanic
Ralph Erickson, Jr.
Heavy Equipment Operator
Joseph P. Ferringio
Courier
Richard J. Henderson, Sr.
Supervisor of Maintenance
Russell W. Loring
Heavy Equipment Operator
James J. McCleary
Toll Collector

Norman A. Pinciario
Toll Collector
Francis Ryan
Heavy Equipment Operator
Anthony G. Suozzo
Foreman of Maintenance
William A. Wall, Jr.
Sr. Maintenance Engineering Clerk
Paul J. Wesolowski
Sr. Toll Collector

At a testimonial dinner on October 1, 1986, the following Massachusetts Turnpike Authority Employees were among those selected from throughout the Commonwealth to receive a Performance Recognition Award from Governor Michael S. Dukakis:

Gerald C. Cahill
Supervisor of Maintenance/Tunnels
Ann M. Driscoll
Personnel Assistant
Joseph R. Fielding
Computer Operations Leader
James M. Gooding
Toll Sergeant/Tunnels
Veneranda Sciortino
Assistant Supervisor of Toll Audit

Bridge Crew/Special

Projects Division:

John Melkonian
Supervisor of Special Projects
Louis Garczynski
Foreman of Special Projects
Edward T. Gillen
Foreman of Special Projects

Stephen C. Roberts
Foreman of Special Projects
Henry M. Brogna
Bridge Repairman
Patrick M. Curran
Bridge Repairman
Timothy B. Duggan
Bridge Repairman
James M. Kelly
Bridge Repairman

Gregory P. Murphy
Bridge Repairman
Thomas J. Powers
Bridge Repairman
Roger D. Tourville
Bridge Repairman

RETIREES FOR 1986

LEGAL

Raymond J. Fontana
Resident Counsel

ENGINEERING AND MAINTENANCE

Robert J. Boyle
*Foreman of Building
Maintenance*
Raymond H. Charland
Heavy Equipment Operator
Patrick L. Foley
Construction Inspector
James H. Langley
Maintenance Worker
Accurzio Maniscalco
Maintenance Worker
Nicholas Mosca
Maintenance Worker
George J. Naventi
Foreman of Maintenance

Frederick Ross
*Building Maintenance
Mechanic — Skilled*
John W. Sebastyn
Storekeeper
John A. Solomon
Heavy Equipment Operator

TOLL COLLECTION:

Effie M. Arrington
Toll Collector
Pasquale D. Chiacchia
Toll Collector
Harold Finn
*Superintendent of Toll
Collection*

John C. Haggar
*Assistant Section Supervisor
of Tolls*

Francis Kennedy
Section Supervisor of Tolls

Horst R. Mayr
Toll Collector

Edward J. Mezzoni, Sr.
Toll Collector

Edward A. Normand
Courier

William J. Porter
Toll Collector

Charles P. Salvatore
Plaza Supervisor

Jacob Silver
Toll Collector

Paul M. Sotichek
Courier

G. Philip Stanwood
Toll Collector

Robert P. Wolcott
Senior Toll Collector

TUNNELS DIVISION

Frank Guarino
Toll Collector

Louis A. Richard
Maintenance Man

Charles Sciortino
Senior Maintenance Clerk

DEATHS — 1986

*Harvey A. Laverdiere
Toll Collector
01/02/86

*Edward S. Dudek
Toll Collector
01/04/86

*John J. Jordan
Toll Collector
03/06/86

*Arthur E. McCabe
Superintendent of Tolls
03/13/86

*James E. Morrow
Toll Collector
03/19/86

*Alfred L. Mooney
Construction Inspector
04/29/86

*Alphie A. Tessier
Equipment Operator Leader
05/05/86

*John E. Sheehan
Senior Toll Collector
05/09/86

James Kennedy
Maintenance Worker
05/27/86

*James W. Sullivan
Toll Collector
07/31/86

*Norman R. Duplin
Janitor
08/11/86

*Arthur J. Cloutier
*Building Maintenance Man
— Skilled*
09/01/86

Nicholas Nicolo
Toll Collector — Tunnels
09/11/86

*Samuel Levine
Civil Engineer
09/20/86

Walter Latka
Toll Collector
10/03/86

*James E. O'Toole
*Supervisor of Patrons
Services*
10/16/86

*James Morrison
Maintenance Clerk
10/30/86

*Michael S. McCrann
Secretary of Retirement Board
11/15/86

*Christopher DeLevo
Storekeeper
12/16/86

*Retired

February 27, 1987
Members of the Board
Massachusetts Turnpike Authority
Boston, Massachusetts 02116

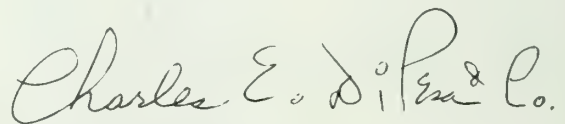
We have examined the Statements of Condition of the Massachusetts Turnpike Authority as of December 31, 1986 and 1985 and the related Statements of Revenues and Expenses and Changes in Fund Balances for the years ended pursuant to the respective Trust Agreements. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As more fully described in Note 3, the Authority's policy is to prepare its financial statements on the basis of accounting practices prescribed by the Trust Agreements. These practices vary in some respects from generally accepted accounting principles. Accordingly, the financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the aforementioned financial statements present fairly the financial position of the Massachusetts Turnpike Authority as of December 31, 1986 and 1985 and the revenues and expenses and changes in fund balances for the years then ended in conformity with the provisions of the Trust Agreements, as set forth in Note 3 to the financial statements applied on a consistent basis.

Our examination was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary data is presented for the purpose of additional analyses in supplementary schedules 1 through 6 and is not a required part of the basic financial statements. Such information has been subjected to the same auditing tests and procedures and, in our opinion, is stated fairly in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,



Charles E. Di Pesa & Co.
Certified Public Accountants

MASSACHUSETTS TURNPIKE AUTHORITY
COMBINED STATEMENT OF CONDITION (Note 3b)
AS OF DECEMBER 31, 1986 and 1985



<i>Assets</i>	1986	1985
Cash		
Operating	\$ 729,909	\$ 965,882
Toll Depository Banks	6,973,637	4,970,657
Bond Interest — (Due 1/1/87)	5,563,212	—
Investments	88,840,713	50,476,749
Accrued Interest on Investments	272,824	348,275
Accounts Receivable	2,482,478	3,210,390
Inventories	430,776	536,593
Deposits, Prepaid and Deferred Items	1,863,737	1,629,355
Escrow Funds	49,793	23,293
Investments in Annuity Contract (Note 7)	2,273,544	1,722,877
Cost of Massachusetts Turnpike and Callahan-Sumner Tunnels to Date	554,474,426	554,000,000
Total Assets	\$663,955,049	\$617,884,071

Liabilities and Fund Balances

Accounts Payable	\$ 1,351,093	\$ 2,740,532
Accrued Expenses and Payroll	2,669,370	3,797,703
Withholding from Employees	39,935	31,122
Deposits and Deferred Income	1,290,413	370,662
Bond Interest — Unpaid Coupons	62,786	62,786
Deferred Compensation (Note 7)	2,273,544	1,722,877
Medical Benefits Claims Reserve	191,255	193,717
Retainage	2,223,321	1,519,260
Revenue Bonds Outstanding	232,270,545	210,328,555
Fund Balances		
Revenue Bonds Retired	361,729,455	343,671,445
Fund Balances	59,853,332	53,445,412
Total Fund Balances	421,582,787	397,116,857
Total Liabilities and Fund Balances	\$663,955,049	\$617,884,071

The Accompanying Footnotes are an Integral Part of these Statements

MASSACHUSETTS TURNPIKE AUTHORITY
COMBINED STATEMENT OF REVENUES AND EXPENSES (Note 3b)
FOR THE YEARS ENDED DECEMBER 31, 1986 and 1985



<i>Revenues</i>	1986	1985
Toll Revenue (Net)	\$ 94,285,853	\$ 89,087,804
Restaurant Revenue	1,782,807	1,474,616
Service Station Revenue	1,495,220	1,404,191
Rental Income	2,350,955	1,846,914
Miscellaneous	240,145	291,954
Income from Investments		
Redemption Account	151,127	187,803
Revenue Fund	295,752	366,774
Replacement Reserve Fund	1,626,883	1,701,353
Bond Interest Account	325,231	372,701
Reserve Account	\$1,326,157	1,550,219
Total Revenues	\$103,880,130	\$ 98,284,329

Operating Expenses

Administrative	\$ 5,433,365	\$ 4,435,343
Retirement	4,565,476	3,815,475
Toll Collection	12,719,754	10,859,402
Police Patrol	3,375,393	3,186,325
Maintenance of Highway, Buildings, Tunnels and Equipment	15,430,404	15,092,187
Total Operating Expenses	\$ 41,524,392	\$ 37,388,732
<i>Excess of Revenues Over Operating Expenses</i>	<i>\$ 62,355,738</i>	<i>\$ 60,895,597</i>
<i>Interest Requirements</i>	<i>\$ 9,598,911</i>	<i>\$ 10,526,274</i>
Percentage of Interest Earned	649.61	578.51

COMBINED CHANGES IN FUND BALANCES (Note 3b)
FOR THE YEARS ENDED DECEMBER 31, 1986 and 1985

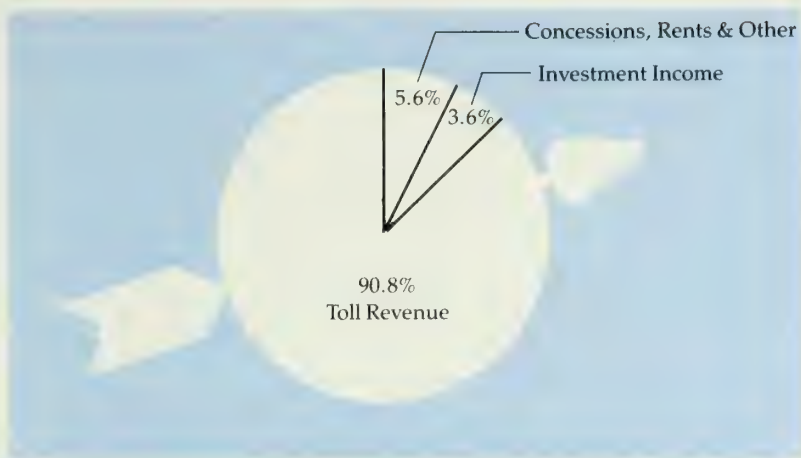
	1986	1985
<i>Balances — beginning of year</i>	<i>\$ 53,445,412</i>	<i>\$ 48,627,121</i>
Excess of Revenues Over Operating Expenses for the Years Ended December 31, 1986 and 1985	62,355,738	60,895,597
Totals	\$115,801,150	\$109,522,718

Disbursements

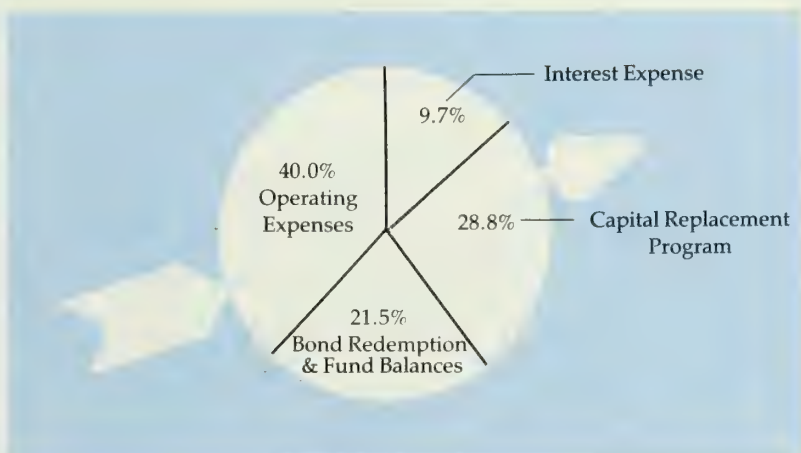
Redemption of Bonds	\$ 18,652,460	\$ 20,715,877
Payment of Bond Interest		
Interest Dates	9,783,086	10,729,295
Retirement Dates	306,566	305,373
Replacement Reserve Expenditures	27,205,706	24,326,761
Total Disbursements	\$ 55,947,818	\$ 56,077,306
<i>Balances — end of year</i>	<i>\$ 59,853,332</i>	<i>\$ 53,445,412</i>

The Accompanying Footnotes are an Integral Part of these Statements

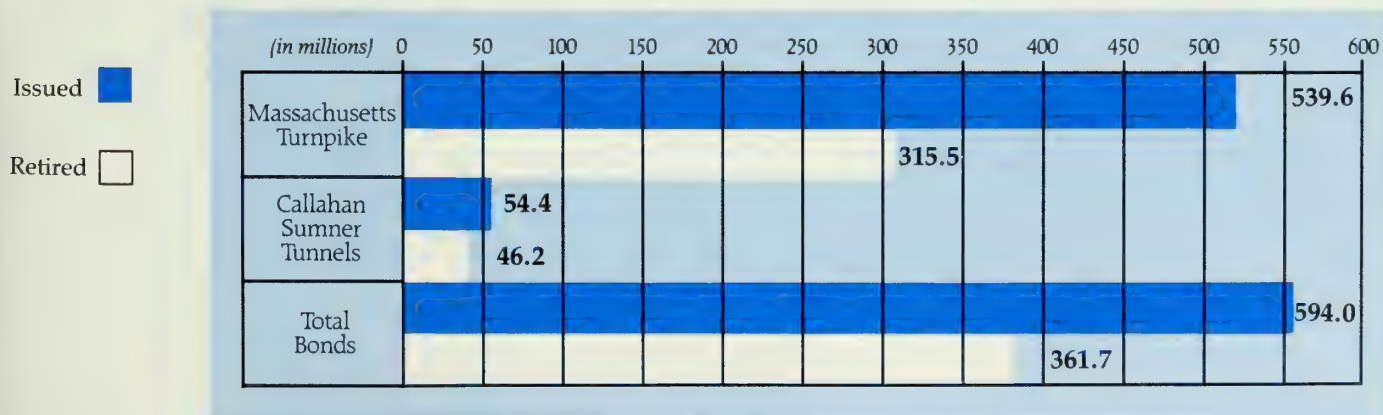
**MASSACHUSETTS TURNPIKE AUTHORITY
1986 COMBINED GROSS REVENUES**



1986 DISPOSITION OF COMBINED REVENUES (Note 3b)



1986 TOTAL BONDS ISSUED AND RETIRED (Note 3b)



MASSACHUSETTS TURNPIKE AUTHORITY
MASSACHUSETTS TURNPIKE
STATEMENT OF CONDITION
AS OF DECEMBER 31, 1986 and 1985



<i>Assets</i>	1986	1985
Cash		
Operating	\$ 677,118	\$ 950,262
Toll Depository Banks	6,179,328	4,227,271
Bond Interest — (Due 1/1/87)	5,563,212	—
Investments	81,817,350	43,604,376
Accrued Interest on Investments	193,050	294,070
Accounts Receivable	2,418,267	3,115,158
Inventories	429,799	533,721
Deposits, Prepaid and Deferred Items	1,392,172	1,024,349
Escrow Funds	49,793	23,293
Investments in Annuity Contract (Note 7)	2,273,544	1,722,877
Due from Other Funds	1,478,542	1,160,813
Cost of Massachusetts Turnpike to Date	500,074,426	499,600,000
Total Assets	\$602,546,601	\$556,256,190

Liabilities and Fund Balances

Accounts Payable	\$ 1,312,971	\$ 2,552,360
Accrued Expenses and Payroll	2,379,447	2,945,146
Withholding from Employees	39,935	31,122
Deposits and Deferred Income	1,146,047	242,286
Bond Interest — Unpaid Coupons	43,997	43,997
Deferred Compensation (Note 7)	2,273,544	1,722,877
Due to Other Funds	1,281,228	1,167,446
Retainage	2,175,721	1,495,575
Medical Benefits Claims Reserve	191,255	193,717
Revenue Bonds Outstanding		
1962 Revenue Series — Due January 1, 2002		
Series A — 4.75%	100,000,000	100,000,000
Series A — 4.15%	38,000,000	38,000,000
1984 Refunding Bonds — Due January 1, 2002		
Series B — 5%	46,123,545	61,643,555
1986 Improvement Series — Due January 1, 2025		
Series A — 6.75%	22,000,000	
1986 Improvement Series — Due January 1, 2026		
Series A — 7.125%	18,000,000	
Fund Balances		
Revenue Bonds Retired	315,476,455	299,956,445
Fund Balances	52,102,456	46,261,664
Total Fund Balances	\$367,578,911	\$346,218,109
Total Liabilities and Fund Balances	\$602,546,601	\$556,256,190

The Accompanying Footnotes are an Integral Part of these Statements

MASSACHUSETTS TURNPIKE AUTHORITY
MASSACHUSETTS TURNPIKE
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 1986 and 1985



<i>Revenues</i>	1986	1985
Toll Revenue (Net)	\$ 84,833,338	\$ 79,898,930
Restaurant Revenue	1,782,807	1,474,616
Service Station Revenue	1,495,220	1,404,191
Rental Income	2,276,481	1,773,354
Miscellaneous	240,145	291,487
Income from Investments		
Redemption Account	147,581	179,428
Revenue Fund	265,299	330,888
Replacement Reserve Fund	1,452,477	1,528,321
Bond Interest Account	310,648	348,708
Reserve Account	924,606	1,088,498
<i>Total Revenues</i>	<i>\$93,728,602</i>	<i>\$88,318,421</i>
<hr/>		
<i>Operating Expenses</i>		
Administrative	\$ 4,603,575	\$ 3,661,721
Retirement	4,022,659	3,324,259
Toll Collection	10,889,942	9,139,078
Police Patrol	3,185,793	3,031,458
Engineering and Maintenance	13,195,670	13,105,403
<i>Total Operating Expenses</i>	<i>\$ 35,897,639</i>	<i>\$ 32,261,919</i>
<i>Excess of Revenues Over Operating Expenses</i>	<i>\$ 57,830,963</i>	<i>\$ 56,056,502</i>
<i>Interest Requirements</i>	<i>\$ 9,128,760</i>	<i>\$ 9,937,702</i>
<i>Percentage of Interest Earned</i>	<i>633.50</i>	<i>564.08</i>

The Accompanying Footnotes are an Integral Part of these Statements

MASSACHUSETTS TURNPIKE AUTHORITY
MASSACHUSETTS TURNPIKE
CHANGES IN FUND BALANCES
FOR THE YEARS ENDED DECEMBER 31, 1986 and 1985



	1986	1985
<i>Balances — beginning of year</i>	\$ 46,261,664	\$42,147,7
Excess of Revenues Over Operating Expenses for the Years Ended December 31, 1986 and 1985	57,830,963	56,056,5
<i>Totals</i>	\$104,092,627	\$98,204,3
<i>Disbursements</i>		
Redemption of Bonds	\$ 16,151,843	\$17,906,4
Payment of Bond Interest		
Interest Dates	9,314,000	10,126,9
Retirement Dates	270,115	278,3
Replacement Reserve Expenditures	26,254,213	23,630,9
<i>Total Disbursements</i>	\$ 51,990,171	\$51,942,6
<i>Balances — end of year</i>	\$ 52,102,456	\$46,261,6

The Accompanying Footnotes are an Integral Part of these Statements

MASSACHUSETTS TURNPIKE AUTHORITY
CALLAHAN-SUMNER TUNNELS
STATEMENT OF CONDITION
AS OF DECEMBER 31, 1986 and 1985



<i>Assets</i>	1986	1985
Cash		
Operating	\$ 52,791	\$ 15,620
Toll Depository Banks	794,309	743,386
Investments	7,023,363	6,872,373
Accrued Interest on Investments	79,774	54,205
Accounts Receivable	64,211	95,232
Inventories	977	2,872
Deposits, Prepaid and Deferred Items	471,565	605,006
Due from Other Funds	10,821	101,897
Cost of Tunnels to Date	54,400,000	54,400,000
<i>Total Assets</i>	<i>\$62,897,811</i>	<i>\$62,890,591</i>

Liabilities and Fund Balances

Accounts Payable	\$ 38,122	\$ 188,172
Accrued Expenses and Payroll	289,923	852,557
Deposits and Deferred Income	144,366	128,376
Bond Interest – Unpaid Coupons	18,789	18,789
Due to Other Funds	208,135	95,264
Retainage	47,600	23,685
Revenue Bonds Outstanding		
1959 Revenue Series – Due April 1, 1999		
4.75%	8,147,000	10,684,999
Fund Balances		
Revenue Bonds Retired	46,253,000	43,715,001
Fund Balances	7,750,876	7,183,748
<i>Total Fund Balances</i>	<i>\$54,003,876</i>	<i>\$50,898,749</i>
<i>Total Liabilities and Fund Balances</i>	<i>\$62,897,811</i>	<i>\$62,890,591</i>

The Accompanying Footnotes are an Integral Part of these Statements

**MASSACHUSETTS TURNPIKE AUTHORITY
CALLAHAN-SUMNER TUNNELS
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 1986 and 1985**



<i>Revenues</i>	1986	1985
Toll Revenue (Net)	\$ 9,452,515	\$ 9,188,874
Rental Income	74,474	73,560
Miscellaneous		467
Income from Investments		
Redemption Account	3,546	8,375
Revenue Fund	30,453	35,886
Replacement Reserve Fund	174,406	173,032
Bond Interest Account	14,583	23,993
Reserve Account	401,551	461,721
Total Revenues	\$10,151,528	\$ 9,965,908
<hr/>		
<i>Operating Expenses</i>		
Administrative	\$ 829,790	\$ 773,622
Retirement	542,817	491,216
Toll Collection	1,829,812	1,720,324
Police Patrol	189,600	154,867
Maintenance and Operation of Tunnels	2,234,734	1,986,784
Total Operating Expenses	\$ 5,626,753	\$ 5,126,813
<i>Excess of Revenues Over Operating Expenses</i>	\$ 4,524,775	\$ 4,839,095
<i>Interest Requirements</i>	\$ 470,151	\$ 588,572
<i>Percentage of Interest Earned</i>	962.41	822.18

**CALLAHAN-SUMNER TUNNELS
CHANGES IN FUND BALANCES
FOR THE YEARS ENDED DECEMBER 31, 1986 and 1985**

	1986	1985
<i>Balances — beginning of year</i>	\$ 7,183,748	\$ 6,479,322
Excess of Revenues Over Operating Expenses for the Years Ended December 31, 1986 and 1985	4,524,775	4,839,095
Totals	\$11,708,523	\$ 11,318,417
<hr/>		
<i>Disbursements</i>		
Redemption of Bonds	\$ 2,500,617	\$ 2,809,437
Payment of Bond Interest		
Interest Dates	469,086	602,395
Retirement Dates	36,451	27,015
Replacement Reserve Expenditures	951,493	695,822
Total Disbursements	\$ 3,957,647	\$ 4,134,669
<i>Balances — end of year</i>	\$ 7,750,876	\$ 7,183,748

The Accompanying Footnotes are an Integral Part of these Statements

MASSACHUSETTS TURNPIKE AUTHORITY
SUMMARY OF REVENUE BONDS ISSUED, RETIRED AND OUTSTANDING
FISCAL YEAR ENDED DECEMBER 31, 1986



Schedule A

	Original Amount Authorized And Issued Prior to 1/1/86	Issuance of Series B Refunding Bonds	Total Bonds Issued Prior to 1/1/86	Acquired and Cancelled Prior to 1/1/86	Bonds Outstanding 1/1/86	Bonds Issued in 1986	Bonds Retired in 1986	Amount Outstanding 12/31/86
Massachusetts Turnpike								
1954 Revenue Bonds								
Due 01/01/2002								
3.3%	\$239,000,000	\$	\$239,000,000	\$239,000,000	\$	\$	\$	\$
1962 Revenue Bonds								
Due 01/01/2002								
Series A - 4.75%	100,000,000		100,000,000		100,000,000			100,000,000
Series A - 4.15%	38,000,000		38,000,000		38,000,000			38,000,000
Series B - 4%-5%	80,000,000	(80,000,000)						
1968 Revenue Bonds								
Due 05/01/2008								
5.25%	15,000,000		15,000,000	15,000,000				
1984 Refunding Bonds								
Due 01/01/2002								
Series B - 5%		107,600,000	107,600,000	45,956,445	61,643,555		15,520,010	46,123,545
1986 Revenue Bonds								
Improvement Series								
Due 01/01/2025								
Series A - 6.75%						22,000,000		22,000,000
Due 01/01/2026								
Series A - 7.125%						18,000,000		18,000,000
<i>Total Massachusetts Turnpike</i>	\$472,000,000	\$ 27,600,000	\$499,600,000	\$299,956,445	\$199,643,555	\$40,000,000	\$15,520,010	\$224,123,545
Callahan-Sumner Tunnels								
1959 Revenue Bonds								
Due 04/01/1999								
4.75%	\$52,800,000		\$52,800,000	\$42,115,000	\$10,685,000		\$2,538,000	\$8,147,000
4.25%	1,600,000		1,600,000	1,600,000				
<i>Total Callahan-Sumner Tunnels</i>	\$54,400,000		\$54,400,000	\$43,715,000	\$10,685,000		\$2,538,000	\$8,147,000
Total Authority	\$526,400,000	\$27,600,000	\$554,000,000	\$343,671,445	\$210,328,555	\$40,000,000	\$18,058,010	\$232,270,545

The Accompanying Footnotes are an Integral Part of these Combined Statements

MASSACHUSETTS TURNPIKE AUTHORITY
COMBINED REVENUES, OPERATING EXPENSES
AND BOND INTEREST REQUIREMENTS
FOR THE YEARS ENDED DECEMBER 31, 1986 and 1985



Revenues, Operating Expenses, and Net Revenues

	Gross Revenues		Operating Expenses		Net Revenues	
	1986	1985	1986	1985	1986	1985
Massachusetts Turnpike	\$ 93,728,602	\$88,318,421	\$35,897,639	\$32,261,919	\$57,830,963	\$56,056,502
Callahan-Sumner Tunnels	10,151,528	9,965,908	5,626,753	5,126,813	4,524,775	4,839,095
Totals	\$103,880,130	\$98,284,329	\$41,524,392	\$37,388,732	\$62,355,738	\$60,895,597

Bond Interest Requirements

	Net Revenues		Interest Requirements		Percentage of Interest Earned	
	1986	1985	1986	1985	1986	1985
Massachusetts Turnpike	\$ 57,830,963	\$56,056,502	\$ 9,128,760	\$ 9,937,702	633.50	564.08
Callahan-Sumner Tunnels	4,524,775	4,839,095	470,151	588,572	962.41	822.18
Totals	\$ 62,355,738	\$60,895,597	\$ 9,598,911	\$10,526,274	649.61	578.51

The Accompanying Footnotes are an Integral Part of these Statements

NOTES TO FINANCIAL STATEMENTS

1 — General

In fiscal years 1986 and 1985 the Authority operated two separate and financially distinct facilities, i.e. the Massachusetts Turnpike and the Callahan-Sumner Tunnels. These facilities were financed by means of revenue bond issues totalling \$594,000,000 in 1986 and \$554,000,000 in 1985. Neither the faith and credit nor the taxing power of the Commonwealth of Massachusetts or of any political subdivision thereof is pledged to the payment of the principal or interest on the bonds. The funds providing for the maintenance, operation and policing of these facilities, as well as principal and interest payments on bond issues, are derived from tolls and other revenues.

2 — The Enabling Act

By Chapter 354 of the Acts of 1952 of the Commonwealth of Massachusetts, the Massachusetts Turnpike Authority was duly created a body politic and corporate and public instrumentality of the Commonwealth of Massachusetts and was authorized and empowered to construct, maintain, repair and operate a toll express highway, known as the Massachusetts Turnpike. Chapter 598 of the Acts of 1958 authorized and empowered the Massachusetts Turnpike Authority to acquire from the city of Boston the Sumner Tunnel and to construct and operate an additional vehicular tunnel between Boston proper and East Boston (known as the Callahan Tunnel).

3 — Summary of Significant Accounting Policies

a) General Accounting Practices

All accounts and records of the Authority are maintained in accordance with accounting practices consistent with the provisions of the following trust agreements: The Supplemental Trust Agreement dated as of January 1, 1962 relating to the Massachusetts Turnpike and Trust Agreement dated as of April 1, 1959, relating to the Callahan-Sumner Tunnels. As a result of the terms of the bond resolutions and the related interpretation thereof, the Authority's accounting practices differ in certain respects from generally accepted accounting principles but are in accordance with accounting practices followed by similar entities.

b) Combined Financial Statements

In addition to the financial statements presented for each of the two financially distinct facilities, the Authority, as a matter of policy and public information, also presents in its Annual Report, financial statements reflecting the combined financial condition of the Massachusetts Turnpike and the Callahan-Sumner Tunnels.

c) The Fiscal Year

The Authority's fiscal year is the calendar year.

d) Method of Accounting

The funds and accounts of the Authority are maintained on the modified accrual basis. Revenues are recognized in the accounting period in which they become available and measurable. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for unmatured bond interest in the Sinking Fund Bond Interest Account which is recognized when due.

e) Depreciation

In accordance with the provisions of the respective Trust Agreements, depreciation of the Turnpike, Tunnels and related facilities is not included as an operating expense or otherwise provided. The cost of extraordinary maintenance, repairs and equipment replacements deemed necessary to maintain such facilities is charged to the Replacement Reserve Funds.

f) Inventories

Inventories consist primarily of sodium chloride, calcium chloride, sand, bulk gasoline, and highway guardrail. Inventories are valued at cost utilizing the FIFO method.

g) Investments

Investments are recorded at amortized cost with the exception of the Series A Construction Fund carried at Cost. Recorded amounts approximate market values.

h) Cost of Projects

The cost of Authority projects includes all costs for acquisition and construction, legal expenses and fees, financing charges, preparation and issuance of bonds, and other items of expense defined and authorized in the trust agreements.

NOTES TO FINANCIAL STATEMENTS (CONT.)

i) Revenues

All revenues received by the Authority are deposited with the First National Bank of Boston, Trustee (Bank of Boston) or other authorized bank depositories, and are held in trust and applied in accordance with the provisions of the respective Trust agreements. All revenues deposited with Trustee, or any other depository, are continuously secured for the benefit of the Authority and bondholders by marketable securities eligible as security for the deposit of trust funds and are approved and held by the Bank of Boston, Trustee. On or before the fifteenth day of each month, all monies held for the credit of the revenue funds on the last day of the preceeding month, less an amount held in reserve for current expenses, are transferred by the Trustee and credited to the following accounts or funds:

1) To the Sinking Fund Bond Interest Accounts, such amounts, if any, as may be required to make the balances therein equal to the amount of interest which will become payable within the next ensuing six months on all bonds outstanding;

2) To the Replacement Reserve Funds, such amounts, if any, as may be required to make the amount deposited in each fiscal year equal to the amounts recommended by the Consulting Engineers;

3) To the Sinking Fund Reserve Accounts, such amounts, if any, as may be required to make the amount equal to the interest reserve requirements specified in the trust agreements;

4) To the Redemption Accounts the balance, if any, remaining after deposits made under clauses 1, 2, and 3 above.

j) Operating Expenses

The term "current expenses" (operating expenses as defined in the trust agreements excludes any extraordinary maintenance or repair, allowance for depreciation, or debt service. The trust agreements provide that the authority will on or before the first day of each fiscal year adopt annual budgets. The annual budgets of operating expenses for fiscal years 1986 and 1985 for the two facilities totaled \$41,646,000 and \$38,410,000 as compared to actual expenses of \$41,524,392 and \$37,388,732 respectively.

k) Replacement Reserve Funds

These funds are held for the purpose of providing for the cost of resurfacing, replacement or reconstruction, unusual or extraordinary maintenance or repairs, renewals and replacements, the cost of replacing equipment, engineering expenses and premiums on insurance carried under the provisions of the trust agreements. As provided in the trust agreements, the Consulting Engineers are required annually to inspect the Authority's facilities and report to the Authority their findings and recommendations as to: a) estimate of the amount necessary for proper maintenance, repair and operation during the ensuing fiscal year, b) insurance to be carried under the provisions of the trust agreements and c) amounts to be deposited during the ensuing fiscal year to the credit of the replacement reserve funds. For fiscal years 1986 and 1985, the Consulting Engineers recommended the following amounts be deposited to the two funds, and such amounts were so deposited: Massachusetts Turnpike \$28,400,000 and \$27,000,000 and the Callahan-Sumner Tunnels \$1,500,000 and \$1,340,000, respectively.

The estimated value of contracts outstanding as of December 31, 1986 and 1985 for major repairs, renewals, and replacement programs was \$5,890,000 and \$18,200,000, respectively.

4 — Net Revenues and Sinking Fund Requirements

In fiscal years 1986 and 1985 the Authority met the net revenue and sinking fund requirements referred to in Section 501 of the respective trust agreements.

5 — Pension Costs

By the enactment of Chapter 597 of the Acts of 1967, and acceptance thereof by the Authority, the Massachusetts Turnpike Authority Employees' Retirement System was created. Accordingly, effective July 1, 1968, employees of the Authority are entitled to retirement benefits in accordance with the provisions of the Massachusetts Contributory Retirement Law (Chapter 32 of the General Laws, Sections 1-28). Pursuant to Section 22 (7) (e) as amended, the Authority is required to pay

NOTES TO COMBINED FINANCIAL STATEMENT (CONT.)

annually to the Massachusetts Turnpike Employees' Retirement System, amounts certified by the Division of Public Employees' Administration (PERA) as necessary for payment of pension benefits to retired employees of the Authority and their beneficiaries and for the expenses of said system.

As of January 1, 1985 the Authority's actuarial consultant estimated the unfunded frozen actuarial liability to be \$25,770,200. By the enactment of Chapter 566 of the Acts of 1978, amending Chapter 32 of the General Laws, provision was made for the funding of the Massachusetts Turnpike Authority Employees' Retirement System. Under this Amendment, the Authority is required to fund the sum of (a) the normal pension cost for the current year, and (b) an amount sufficient to amortize unfunded past service liability prior to dissolution of the Authority.

During fiscal years 1986 and 1985 \$2,853,768 and \$2,067,633 were expensed to the Retirement system for the Pension and Expense Funds, and \$1,455,932 and \$1,475,900 to the Pension Reserve Fund for past service liability, respectively.

6 — Retirees Group Medical Benefits

The Authority provides certain health care benefits for retired employees. Substantially all of the Authority's employees may become eligible for these benefits. The cost of retiree health care benefits is recognized as expense when paid.

7 — Deferred Compensation Plan

In 1981, the Authority adopted the Massachusetts Turnpike Authority Deferred Compensation Plan (Plan), whereby an employee who elects to participate may defer the receipt of a specified amount of compensation. Such deferred compensation is payable to the participant on retirement, death, disability or financial hardship. In 1981, the Authority entered into an agreement with Aetna Life Insurance and Annuity Company to perform for the Authority certain functions in the implementation and continuing operation of the Plan.

For accounting purposes the assets and liabilities of the Plan are recorded at market value. As of December 31, 1986 and 1985 the value of the Plan was \$2,273,544 and \$1,722,877, respectively.

8 — Lease and Installment Purchase Commitments

The Authority has entered into the following lease and installment purchase agreements which were in full force and effect as of December 31, 1986 and 1985 with the exception of (d):

a) Rental of Administrative Offices in the city of Boston for the four year period terminating June 13, 1988.

b) Installment purchase for data processing equipment — On December 23, 1982, the Authority entered into a five year lease purchase agreement to acquire a Sperry Univac System 80 Computer System.

c) Lease agreement providing for the rental of automatic toll collection equipment located at the Massachusetts Turnpike and the Callahan-Sumner Tunnels — The original lease agreements have been extended for a period terminating February 28, 1988 for the Massachusetts Turnpike, and May 21, 1989 for the Callahan-Sumner Tunnels.

d) Computerized Toll Collection System — Lease Purchase agreement, commencing November 13, 1986 to finance the acquisition of a computerized toll collection system. Monthly installments of \$173,367 payable over 60 months ending November 1991.

NOTES TO FINANCIAL STATEMENTS (CONT.)

9 — Turnpike Improvement Revenue Bonds, 1986 series A

In 1986, \$40,000,000 of term bonds were issued to finance a portion of the cost of improvements to the Massachusetts Turnpike under the Supplemental Trust Agreement dated as of January 1, 1962, between the authority and the trustee, and the series resolution adopted by the Authority on July 16, 1986. The bonds will constitute a special obligation of the Massachusetts Turnpike and will be payable solely from net revenues of the Massachusetts Turnpike. The term bonds consist of \$22,000,000 — 6 3/4% due January 1, 2025 and \$18,000,000 — 7 1/8% due January 1, 2026 with interest payable semiannually commencing January 1, 1987.

10 — Contingent Liabilities

The Authority is contingently liable under pending litigation and/or claims in which the Authority is the defendant. In the opinion of the Authority, the total potential liability of such actions would not materially affect its financial statements.

11 — Fund Balances

Fund Balances representing revenues retained, in accordance with the respective trust agreements, as of December 31, 1986 and 1985 are as follows:

<i>Combined</i>	1986	1985
Revenue Fund	\$11,782,133	\$12,157,270
Sinking Funds		
Bond Interest Accounts	5,845,495	5,243,997
General Reserve Account	15,767,005	13,397,187
Redemption Account	4,802,559	5,311,995
Replacement Reserve Fund	21,656,140	17,334,963
<i>Totals</i>	<i>\$59,853,332</i>	<i>\$53,445,412</i>
<i>Massachusetts Turnpike</i>		
Revenue Fund	\$11,108,360	\$11,509,668
Sinking Funds		
Bond Interest Accounts	5,642,711	4,958,350
General Reserve Account	11,783,362	9,519,100
Redemption Account	4,801,640	5,106,427
Replacement Reserve Fund	18,766,383	15,168,119
<i>Totals</i>	<i>\$52,102,456</i>	<i>\$46,261,664</i>
<i>Callahan/Sumner Tunnels</i>		
Revenue Fund	\$673,773	\$647,602
Sinking Funds		
Bond Interest Accounts	202,784	285,647
General Reserve Account	3,983,643	3,878,087
Redemption Account	919	205,568
Replacement Reserve Fund	2,889,757	2,166,844
<i>Totals</i>	<i>\$7,750,876</i>	<i>\$7,183,748</i>

MASSACHUSETTS TURNPIKE AUTHORITY
MASSACHUSETTS TURNPIKE
FINANCIAL RESULTS OF OPERATION 1980-1986



Schedule 1

	1980	1981	1982	1983	1984	1985	1986
<i>(Dollars in Thousands)</i>							
Gross Toll Revenue	\$ 58,946	\$ 62,707	\$ 65,552	\$ 70,247	\$ 75,946	\$ 80,446	\$ 85,433
Less Volume Discounts	(475)	(488)	(467)	(490)	(542)	(547)	(600)
Net Toll Revenue	\$ 58,471	\$ 62,219	\$ 65,085	\$ 69,757	\$ 75,404	\$ 79,899	\$ 84,833
Restaurant Revenue	925	963	1,018	1,080	1,150	1,475	1,783
Service Station Revenue	1,670	1,347	1,248	1,321	1,369	1,404	1,495
Miscellaneous	574	1,607	1,758	1,927	1,977	2,064	2,517
Income from Investments	3,484	4,632	4,274	4,246	4,548	3,476	3,101
Gross Revenues	\$ 65,124	\$ 70,768	\$ 73,383	\$ 78,331	\$ 84,448	\$ 88,318	\$ 93,729
Operating Expenses	\$ 20,496	\$ 22,977	\$ 25,835	\$ 27,983	\$ 30,618	\$ 32,262	\$ 35,898
Net Revenues	\$ 44,628	\$ 47,791	\$ 47,548	\$ 50,348	\$ 53,830	\$ 56,056	\$ 57,831
Bond Interest Requirements	\$ 12,860	\$ 12,011	\$ 11,166	\$ 10,413	\$ 10,970	\$ 9,938	\$ 9,129
Percent of Interest Earned	347.03	397.88	425.83	483.49	490.69	564.08	633.50
Deposits to Replacement Reserve	\$ 9,500	\$ 8,500	\$ 11,500	\$ 11,500	\$ 15,500	\$ 27,000	\$ 28,400
Revenue Bonds							
Retired During Year	\$ 22,219	\$ 28,429	\$ 21,682	\$ 30,332	\$ 27,924	\$ 18,033	\$ 15,520
Average Price Paid	\$ 91.03	\$ 94.77	\$ 99.48	\$ 100.86	\$ 100.70	\$ 99.30	\$ 104.07
Retired to Date	\$173,557	\$201,986	\$223,668	\$254,000	\$281,924	\$299,956	\$315,476
Percent Retired to Date	36.8	42.8	47.4	53.8	56.4	60.0	58.5
Bonds Outstanding	\$298,443	\$270,014	\$248,332	\$218,000	\$217,676	\$199,644	\$224,124

MASSACHUSETTS TURNPIKE AUTHORITY
CLASS COMPARISON – MASSACHUSETTS TURNPIKE
JANUARY–DECEMBER 1986 VS JANUARY–DECEMBER 1985

Schedule 2



Class Description	Transactions		Increase or (Decrease)	%	Gross Revenue		Increase or (Decrease)	%
	1986	1985			1986	1985		
1. Passenger Vehicle or Light Truck (Taxis, Suburbans, Ambulances, Motorcycles, Hearses)	113,104,417	106,658,755	6,445,662	6.0	\$64,874,422	\$60,914,376	\$3,960,046	6.5
2. Passenger Vehicle or Light Truck with One or Two-Axle Trailers	311,615	304,814	6,801	2.2	418,349	413,057	5,292	1.3
3. Trucks – Five or More Axles	3,963,786	3,786,155	177,631	4.7	12,265,798	11,546,140	719,658	6.2
5. Medium Trucks – Dual Tires with Two Axles	2,384,068	2,311,877	72,191	3.1	2,375,858	2,279,148	96,710	4.2
6. Trucks – Three Axles	542,895	500,863	42,032	8.4	678,300	629,699	48,601	7.7
7. Trucks – Four Axles	994,166	1,055,834	(61,668)	(5.8)	2,234,107	2,347,204	(113,097)	(4.8)
8. Buses	768,627	772,749	(4,122)	(.5)	776,316	780,846	(4,530)	(.6)
9. Tandem Trailers – Units	207,101	154,328	52,773	34.2	1,809,819	1,535,536	274,283	17.9
10. Non-Revenue	545,580	496,487	49,093	9.9				0
Totals	122,822,255	116,041,862	6,780,393	5.8	\$85,432,969	\$80,446,006	\$4,986,963	6.2

MASSACHUSETTS TURNPIKE AUTHORITY
CALLAHAN-SUMNER TUNNELS
FINANCIAL RESULTS OF OPERATION 1980-1986



Schedule 3

	1980	1981	1982	1983	1984	1985	1986
<i>(Dollars in Thousands)</i>							
Net Toll Revenue	\$ 7,894	\$ 8,215	\$ 8,293	\$ 8,566	\$ 8,973	\$ 9,189	\$ 9,453
Rental & Miscellaneous Income	61	81	83	73	69	74	74
Income from Investments	510	650	788	754	727	703	625
Gross Revenues	\$ 8,465	\$ 8,946	\$ 9,164	\$ 9,393	\$ 9,769	\$ 9,966	\$10,152
Operating Expenses	\$ 3,573	\$ 4,056	\$ 4,585	\$ 4,695	\$ 4,951	\$ 5,127	\$ 5,627
Net Revenues	\$ 4,892	\$ 4,890	\$ 4,579	\$ 4,698	\$ 4,818	\$ 4,839	\$ 4,525
Bond Interest Requirements	\$ 1,270	\$ 1,102	\$ 979	\$ 870	\$ 730	\$ 589	\$ 470
Percent of Interest Earned	385.27	443.91	467.86	540.05	660.09	822.18	962.41
Deposits to Replacement Reserve	\$ 600	\$ 500	\$ 2,000	\$ 900	\$ 1,000	\$ 1,340	\$ 1,500
\$54,000,000 Revenue Bonds							
Retired During Year	\$ 3,517	\$ 3,748	\$ 1,529	\$ 3,095	\$ 2,899	\$ 2,884	\$ 2,538
Average Price Paid	\$ 83.44	\$ 83.99	\$ 88.65	\$ 95.37	\$ 95.83	\$ 97.41	\$ 98.53
Retired to Date	\$29,560	\$33,308	\$34,837	\$37,932	\$40,831	\$43,715	\$46,253
Percent Retired to Date	54.3	61.2	64.0	70.0	75.1	80.4	85.0
Bonds Outstanding	\$24,840	\$21,092	\$19,563	\$16,468	\$13,569	\$10,685	\$ 8,147

MASSACHUSETTS TURNPIKE AUTHORITY
CLASS COMPARISON – CALLAHAN-SUMNER TUNNELS
JANUARY – DECEMBER 1986 VS JANUARY – DECEMBER 1985

Schedule 4



Class Description	Transactions		Increase or (Decrease)	%	Gross Revenue		Increase or (Decrease)	%
	1986	1985			1986	1985		
1. Passenger Car, Taxi, Light Truck, Ambulance, Motorcycle, Hearse, Car Pools	14,508,543	14,036,972	471,571	3.4	\$8,701,174	\$8,418,039	\$283,135	3.4
2. Passenger Car with Single Axle Trailer, Tow Axle Single Tire Truck with Single- Axle Trailer	4,515	3,722	793	21.3	3,612	2,978	634	21.3
4. Trucks – Five or More Axles	19,903	24,639	(4,736)	(19.2)	21,893	27,103	(5,210)	(19.2)
5. Two Axle Dual- Tire Truck	210,733	205,325	5,408	2.6	168,587	164,260	4,327	2.6
6. Three Axle Truck, Two Axle Dual-Tire Truck with Single Axle Trailer	20,430	18,420	2,010	10.9	18,387	16,578	1,809	10.7
7. Four Axle Truck with or without Trailer, Class 1 Vehicle with Two-Axle Trailer	35,415	35,708	(293)	(.8)	35,415	35,708	(293)	(.8)
8. Bus	105,951	137,431	(31,480)	(22.9)	63,571	82,459	(18,888)	(22.9)
9. Commuter	1,127,083	1,130,076	(2,993)	(.3)	450,833	452,030	(1,197)	(.3)
10. Non-Revenue	138,053	104,246	33,807	32.4				0
Totals	16,170,626	15,696,539	474,087	3.0	\$9,463,472	\$9,199,155	\$264,317	2.9

MASSACHUSETTS TURNPIKE AUTHORITY
COMPARISON OF INTERCHANGE TRANSACTIONS
JANUARY – DECEMBER 1986 VS JANUARY – DECEMBER 1985

Schedule 5



Ticket Controlled Section Interchange	No.	Entrance		Increase or (Decrease)	%	Exit		Increase or (Decrease)	%
		1986	1985			1986	1985		
W. Stockbridge	1.	2,591,392	2,423,261	168,131	6.9	2,564,103	2,388,730	175,373	7.3
Lee	2.	1,334,809	1,246,111	88,698	7.1	1,376,323	1,287,527	88,796	6.9
Westfield	3.	1,845,443	1,719,313	126,130	7.3	1,883,068	1,754,235	128,833	7.3
W. Springfield	4.	3,238,378	3,001,435	236,943	7.9	3,311,562	3,057,355	254,207	8.3
Chicopee	5.	1,597,398	1,532,354	65,044	4.2	1,499,044	1,432,596	66,448	4.6
Springfield	6.	2,718,192	2,452,883	265,309	10.8	2,780,400	2,535,655	244,745	9.7
Ludlow	7.	1,446,676	1,325,241	121,435	9.2	1,379,472	1,264,593	114,879	9.1
Palmer	8.	1,836,202	1,650,349	185,853	11.3	1,811,859	1,605,518	206,341	12.9
Sturbridge	9.	6,139,472	5,759,316	380,156	6.6	6,158,882	5,791,487	367,395	6.3
Auburn	10.	5,266,916	4,820,589	446,327	9.3	5,173,300	4,733,863	439,437	9.3
Millbury	11.	1,566,184	1,380,475	185,709	13.5	1,681,179	1,509,845	171,334	11.3
Westborough	11.A	5,715,719	5,192,079	523,640	10.1	5,469,298	4,986,864	482,434	9.7
Framingham	12.	3,516,605	3,368,937	147,668	4.4	3,794,234	3,605,734	188,500	5.2
Natick	13.	6,312,015	6,019,756	292,259	4.9	6,441,998	6,137,386	304,612	5.0
Weston	14.	7,858,600	7,458,354	400,246	5.4	7,458,288	7,091,412	366,876	5.2
Newton	15.	8,052,462	7,610,727	441,735	5.8	8,253,453	7,778,380	475,073	6.1
Total Ticket Controlled Section		61,036,463	56,961,180	4,075,283	7.2	61,036,463	56,961,180	4,075,283	7.2
Barrier Controlled Section									
Newton – 128	15.					14,003,468	13,590,575	412,893	3.0
West Newton Allston	16.					3,581,865	3,381,494	200,371	5.9
Off East – On West	18.					10,418,301	9,775,167	643,134	6.6
Thru Traffic	19.					24,599,120	23,791,033	808,087	3.4
Off West – On East	20.					9,183,038	8,542,413	640,625	7.5
Total Barrier Controlled Section						61,785,792	59,080,682	2,705,110	4.6
Totals Massachusetts Turnpike						122,822,255	116,041,862	6,780,393	5.8

MASSACHUSETTS TURNPIKE AUTHORITY
COMPARISON OF INTERCHANGE REVENUE
JANUARY-DECEMBER 1986 VS JANUARY-DECEMBER 1985

Schedule 6



Ticket Controlled Section Interchange	No.	Gross Revenues		Increase or (Decrease)	%
		1986	1985		
W. Stockbridge	1.	\$ 7,813,607	\$ 7,271,227	\$ 542,380	7.5
Lee	2.	2,101,344	1,984,503	116,841	5.9
Westfield	3.	1,180,788	1,100,916	79,872	7.3
W. Springfield	4.	3,357,970	3,100,270	257,700	8.3
Chicopee	5.	912,959	875,943	37,016	4.2
Springfield	6.	3,429,532	3,114,015	315,517	10.1
Ludlow	7.	948,217	889,193	59,024	6.6
Palmer	8.	1,360,674	1,220,878	139,796	11.5
Sturbridge	9.	7,310,244	6,980,028	330,216	4.7
Auburn	10.	5,979,932	5,424,866	555,066	10.2
Millbury	11.	1,608,203	1,435,250	172,953	12.1
Westborough	11.A	5,693,783	5,257,621	436,162	8.3
Framingham	12.	2,132,600	2,061,675	70,925	3.4
Natick	13.	3,041,745	2,910,107	131,638	4.5
Weston	14.	7,635,239	7,213,458	421,781	5.8
Newton	15.	8,933,205	8,481,933	451,272	5.3
<hr/>					
Total-Ticket Controlled Section		\$63,440,042	\$59,321,883	\$4,118,159	6.9
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Barrier Controlled Section					
Newton - 128	15.	\$ 4,973,239	\$ 4,833,323	\$ 139,916	2.9
West Newton Allston	16.	713,093	673,361	39,732	5.8
Off East - On West	18.	2,711,841	2,555,560	156,281	6.1
Thru Traffic	19.	10,235,137	9,934,993	300,144	3.0
Off West - On East	20.	3,317,416	3,080,371	237,045	7.7
<hr/>					
Total-Barrier Controlled Section		\$21,950,726	\$21,077,608	\$ 873,118	4.1
<hr/>					
Car Pool Program		\$ 42,201	\$ 46,515	\$ (4,314)	(9.3)
<hr/>					
Totals Massachusetts Turnpike		\$85,432,969	\$80,446,006	\$4,986,963	6.2

MASSACHUSETTS TURNPIKE AUTHORITY
EMPLOYEES' RETIREMENT SYSTEM

128 NORTH STREET
BOSTON, MASSACHUSETTS 02109

STANLEY J. BRITTON
EX-OFFICIO-CHAIRMAN

J. JOSEPH MALONEY
APPOINTED MEMBER

FRANCIS M. HOEY
ELECTED MEMBER

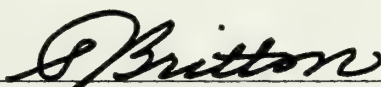
GERALD F. COUGHLIN
SECRETARY




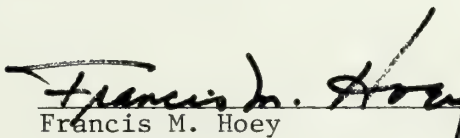
His Excellency Michael S. Dukakis
Governor of the Commonwealth of Massachusetts
and
Members of the Senate and House of Representatives
State House
Boston, Massachusetts 02133

His Excellency and Honorable Members:

In accordance with the provisions of section 20, subsection 5, paragraph (i) of Chapter 32 of the General Laws, we are pleased to submit herewith, for publication in the Massachusetts Turnpike Authority Annual Report to the Governor and General Court, a copy of the report of the financial condition of the Massachusetts Turnpike Authority Employees' Retirement System as of December 31, 1986.


S. J. Britton
Ex-officio-Chairman


J. Joseph Maloney
Appointed Member


Francis M. Hoey
Elected Member

MASSACHUSETTS TURNPIKE AUTHORITY
EMPLOYEES' RETIREMENT SYSTEM
STATEMENT OF CONDITION
AS OF DECEMBER 31, 1986



<i>Assets</i>		1986	1985
<i>(unaudited)*</i>	Cash	\$ 1,625	\$ 2,131
	Investments		
	Government bonds	6,154,875	4,433,495
	Railroad equipment trust certificates	2,299,804	2,299,485
	Public Utility bonds	3,843,828	2,832,129
	Bank & industrial notes & bonds	3,768,474	3,609,869
	Telephone bonds	7,625,173	7,978,254
	Mortgage loan pass-through certificates	26,020	86,214
	Bank & insurance stocks	4,123,875	1,559,563
	Short-term investments	7,089,811	6,984,912
	Guaranteed interest contracts	2,750,000	1,000,000
	Accrued interest on investments	654,472	723,262
	Accounts receivable, employees contributions	26,519	
	Workers' compensation credits	5,203	5,261
	Principal adjustment account	155,599	173,904
	<i>Total Assets</i>	<i>\$38,525,278</i>	<i>\$31,688,480</i>
<i>Funds and Liabilities</i>			
	Annuity Savings Fund	\$10,491,484	\$ 9,246,189
	Annuity Reserve Fund	2,322,450	2,021,764
	Pension Fund	284,537	-0-
	Expense Fund	115,165	93,385
	Pension Reserve Fund	25,311,642	20,327,142
	<i>Total Funds and Liabilities</i>	<i>\$38,525,278</i>	<i>\$31,688,480</i>

*(See Notes to Financial Statements)

**MASSACHUSETTS TURNPIKE AUTHORITY
EMPLOYEES' RETIREMENT SYSTEM
STATEMENT OF CASH
AS OF DECEMBER 31, 1986**



Assets		1986	1985
<i>(unaudited)*</i>	Cash, January 1	\$ 2,131	\$ 1,086
	Short-term investments, available cash	6,984,912	4,650,647
	<i>Total cash available</i>	<i>\$ 6,987,043</i>	<i>\$ 4,651,733</i>
Receipts			
	Members' contributions	\$ 1,366,901	\$ 1,113,952
	Transfers of members' accounts from other systems	40,308	
	Pension reimbursements from other systems	79,619	73,221
	Massachusetts Turnpike Authority:		
	Pension Fund appropriation	2,719,868	1,911,660
	Expense Fund appropriation	133,100	150,950
	Pension Reserve Fund appropriation	1,424,232	1,475,900
	Workers' Compensation credits	7,500	5,023
	Redeposits	1,029	717
	Sale or maturity of investments	5,215,600	2,429,800
	Net gain or (loss) on sale of investments	647,565	(12,675)
	Return of principal on mortgage loan pass-through certificates	60,194	107,141
	Investment income	3,277,307	3,011,635
	<i>Total Receipts</i>	<i>\$14,973,225</i>	<i>\$10,267,324</i>
Disbursements			
	Regular annuity payments	\$ 226,968	\$ 191,188
	Option (b) annuity payments to beneficiaries	23,608	15,637
	Pension payments	2,362,586	2,093,105
	Pension reimbursements to other systems	13,958	11,147
	Refunds to members inactive	170,464	308,923
	Transfers of member accounts to other systems	22,247	19,026
	Administrative expenses	111,375	131,192
	Investments	11,909,678	4,939,369
	Accrued interest purchased	27,947	39,369
	Unamortized principal adjustment on bond exchanges		173,904
	Principal adjustment amortization		9,153
	<i>Total Disbursements</i>	<i>\$14,868,831</i>	<i>\$ 7,932,013</i>
	<i>Balance, December 31</i>	<i>\$ 7,091,436</i>	<i>\$ 6,987,043</i>
	Cash, December 31	\$ 1,625	\$ 2,131
	Short-term investments, available cash	7,089,811	6,984,912
	<i>Balance, December 31</i>	<i>\$ 7,091,436</i>	<i>\$ 6,987,043</i>

*(See Notes to Financial Statements)

EMPLOYEES' RETIREMENT SYSTEM

The Massachusetts Turnpike Authority Employees' Retirement System (the System) was established as a contributory retirement system subject to the provisions of Massachusetts General Laws, Chapter 32, sections 1-28, by the enactment of Chapter 597 of the Acts of 1967 and its acceptance by the Massachusetts Turnpike Authority. The operative date was July 1, 1968.

The System is managed by a board of three members, viz: S.J. Britton, secretary-treasurer of the Authority, member ex-officio and chairman; Attorney J. Joseph Maloney, appointed member, who was first appointed by the Massachusetts Turnpike on May 9, 1968 to take effect on July 1, 1968 and who has served consecutively since that date; and Francis M. Hoey, elected member, who is serving his seventh consecutive term following re-election by the membership in 1985.

Provision was made for funding of past service liability of the System by the enactment of Chapter 566 of the Acts of 1978. Under this amendment, the Massachusetts Turnpike Authority is required to fund and pay to the System the sum of (a) the normal pension cost for the current year, and (b) an amount sufficient to amortize unfunded past service liability prior to dissolution of the Authority. All such required payments for the first statutory period 1978 through 1983 were transferred and credited to the System.

The enactment in December, 1983 of Chapter 661 of the Acts of 1983 significantly amended the provisions of Chapter 32, sections 1-28, relative to the administration, funding and investment policies of the public employee retirement systems in the Commonwealth of Massachusetts. The following is a brief summary of some of the major provisions in this new law: 1.) established a Pension Investment Advisory unit within the Division of Public Employee Retirement Administration; 2.) established the Pension Reserve Investment Management (PRIM) Board and the Pension Reserve Investment Trust (PRIT) Fund; 3.) limited the interest paid to members of a retirement system who voluntarily withdraw from service and who seek a return of accumulated total deductions; 4.) required deduction of 8% from regular compensation for employees who commence service on or after January 1, 1984.

In addition to the foregoing, Chapter 661 of the Acts of 1983 requires each retirement system to establish a pension reserve fund for the purpose of meeting unfunded pension liabilities and, by various changes in existing law, made provision for certain internal transfers to the fund in addition to any direct appropriations by applicable legislative body. In accordance with this statutory requirement, the Board dissolved the Past Service Liability Fund, which was established on the Books of the System on October 19, 1978, and transferred fund assets to the System's newly-established Pension Reserve Fund.

ACCOUNTING POLICIES

The accounting policies of the System follow the principles and practices for public employee contributory retirement systems promulgated by the Commonwealth of Massachusetts, Division of Public Employee Retirement Administration, pursuant to Chapter 32, section 21 of the Massachusetts General Laws, as amended.

Prior to January 1, 1983, records of the System had been audited periodically by the Commonwealth of Massachusetts, Division of Insurance. Pursuant to Chapter 630 of the Acts of 1982, supervision of the public employee retirement systems in the Commonwealth subject to Chapter 32, including the conduct of audits, was transferred from the Division of Insurance to the Division of Public Employee Retirement Administration (PERA). The last such audit of the records of the Sys-

tem for the year 1983 was conducted by PERA in October, 1984. Additionally, in August, 1978, the Board authorized an audit by an independent accounting firm of refunds of retirement contributions to former employees of the Authority. This audit was completed in January, 1979 and included the ten-year period from July 1, 1968 through June 30, 1978.

Pursuant to Chapter 840, section 15.01, Commonwealth of Massachusetts Regulations, an affidavit was obtained from each retiree and beneficiary receiving a retirement or survivorship allowance from the System in 1986.

Direct automatic deposit of retirement allowance payments to individual bank accounts of retirees and beneficiaries numbered 173 in December, 1986, representing 37% of the total number of recipients.

INVESTMENTS

Assets of the System are invested pursuant to the provisions and limitations of Chapter 32, section 23. Investment earnings for the year 1986 totalled \$3,469,401 representing a rate of return of 9.88% of the mean ledger assets of the System. Of this amount, \$2,577,733 was attributable to investments of the Pension Reserve Fund (formerly the Past Service Liability Fund), and such amount was credited to that fund on December 31, 1986. The balance of \$891,668 investment earnings was applied to the funds of the System in accordance with the statute as follows:

Annuity Savings Fund	\$484,139
Annuity Reserve Fund	65,701
Pension Reserve Fund — excess earnings	341,828
Total	\$891,668

Prior to the enactment of Chapter 661 of the Acts of 1983, excess earnings were credited annually to the Pension Fund. In the years 1984 through 1985, excess earnings totalling

\$2,114,232 were transferred to the Pension Reserve Fund. In 1986, excess earnings in the amount of \$341,828 were transferred to the Pension Reserve Fund. Additionally, in 1985 the Board transferred a surplus in the Pension Fund of \$4,500,000 to the Pension Reserve Fund in the form of cash and securities, making a total amount of \$6,956,060 transferred to the Pension Reserve Fund as of December 31, 1986.

In 1982, the Board voted to participate to the extent of \$500,000 with other public retirement systems in Massachusetts in a mortgage loan pass-through certificate program, yielding 15.25% to the system. The program made funds available to Massachusetts residents for home mortgages at a fixed rate through participating local banks throughout the Commonwealth. As of December 31, 1986 principal in the amount of \$473,980 had been paid down bringing the current principal amount outstanding to \$26,020.

BENEFITS

During 1986, 28 employees were retired by the Board, bringing to 570 the number of members who have been retired since the inception of the System in 1968. Retirement allowances totalling \$2,613,121 were paid in 1986 to retirees and beneficiaries of deceased members of

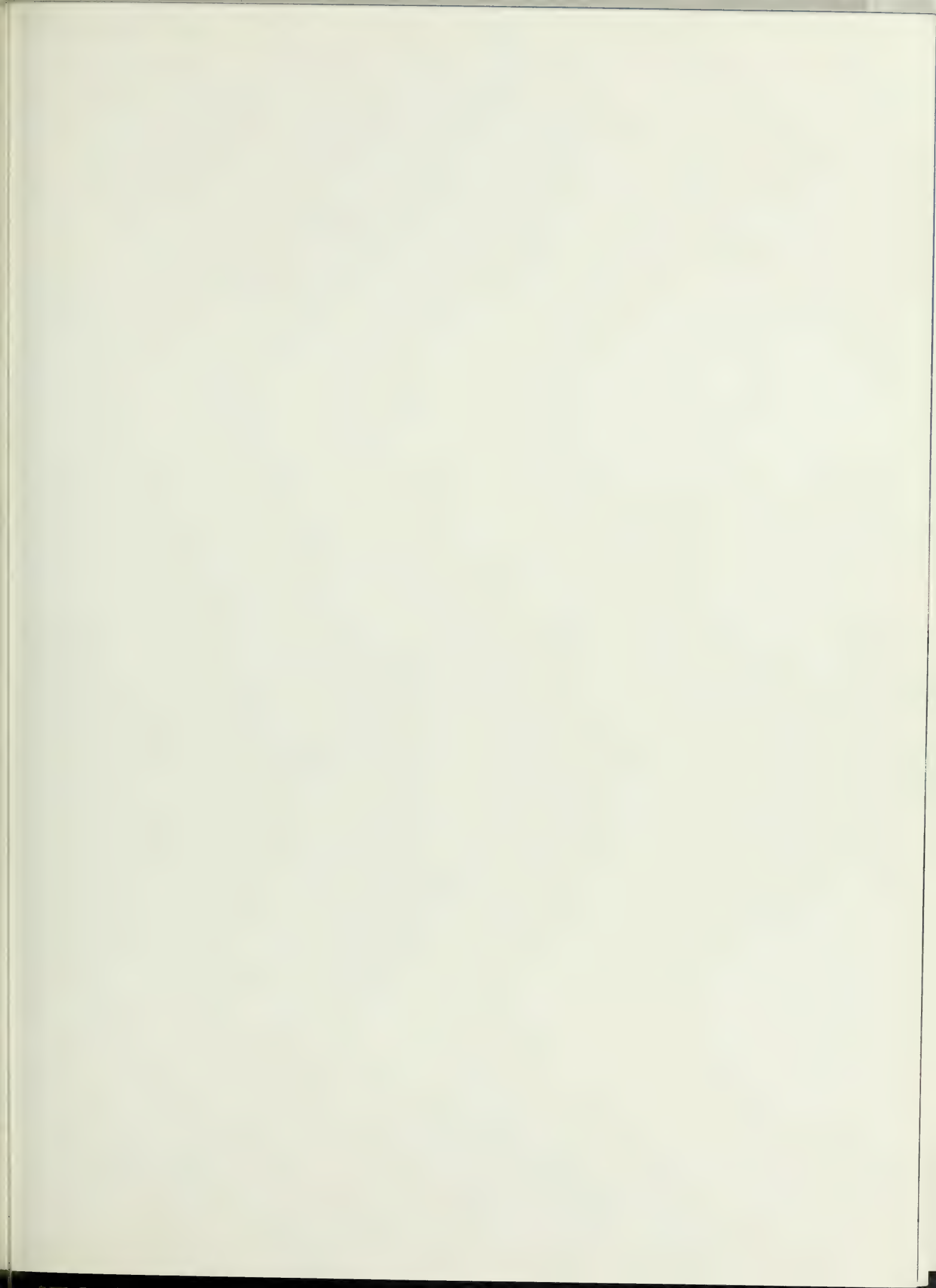
the System. Of this amount, \$250,535 were annuity payments (employee contributions and investment earnings thereon), and \$2,362,586 were pension payments (contributions by the Massachusetts Turnpike Authority).

Retirement Category	1986 Benefit Payments			Percent of Payments
	Annuity	Pension	Allowance	
Superannuation/Termination	\$173,226	\$1,588,262	\$1,761,488	67%
Ordinary disability	21,432	238,683	260,115	10%
Accidental disability	12,822	194,514	207,335	8%
Survivors/beneficiaries	19,447	341,128	360,575	14%
Option (b) final payments	23,608		23,608	1%
Total payments	\$250,535	\$2,362,586	\$2,613,121	100%

Pension reimbursements in the amount of \$79,619 were received from other systems and pension reimbursements of \$13,958 were paid

to other systems in 1986 for pension payments made in 1985. Recipients of retirement benefits as of December 31, 1986 numbered 373 retirees and 98 survivors and beneficiaries.



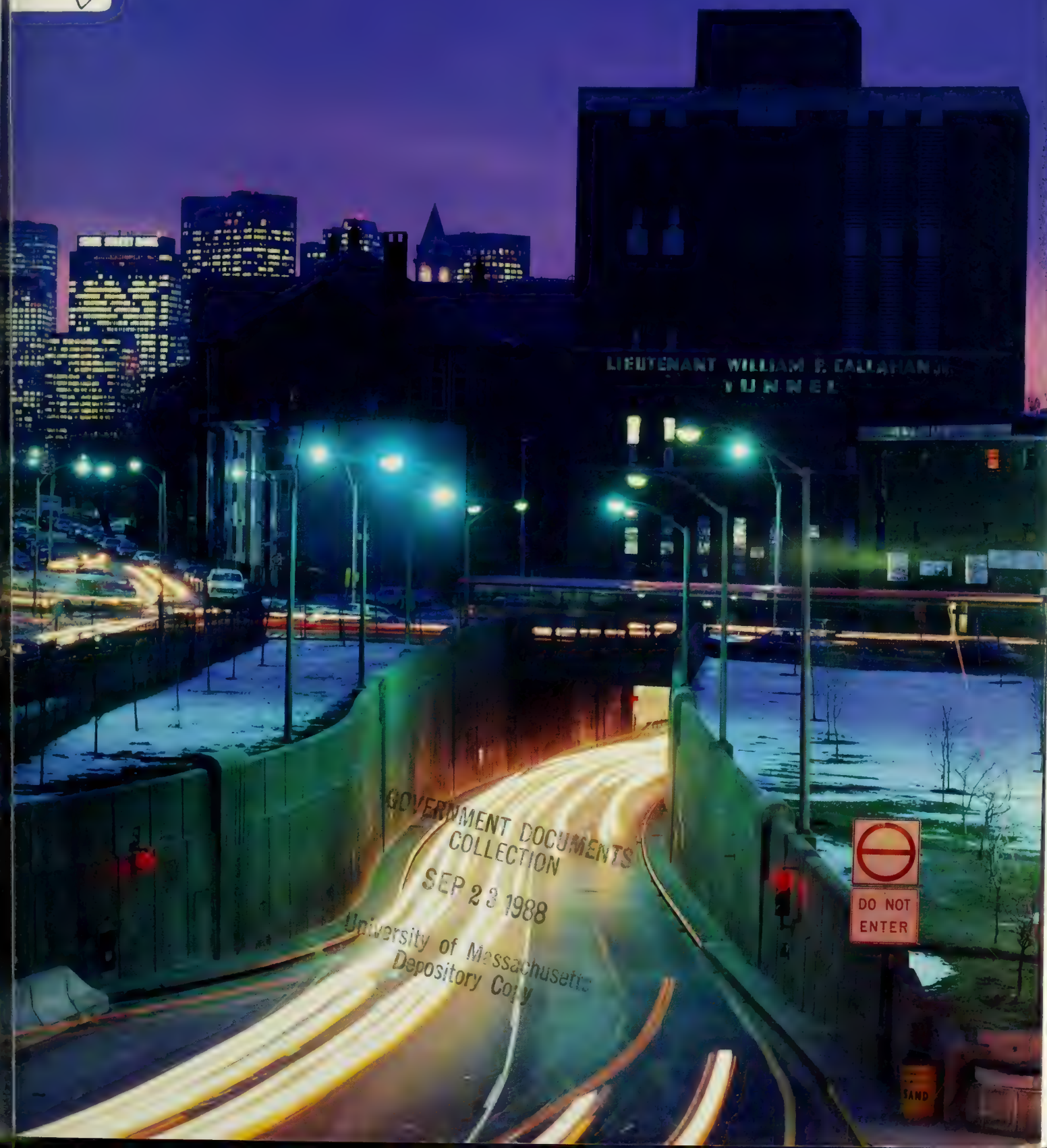


MASSACHUSETTS TURNPIKE AUTHORITY



ANNUAL REPORT 1987

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THE MASSACHUSETTS TURNPIKE



"The Economic Lifeline of Massachusetts"

Michael S. Dukakis
Governor

Allan R. McKinnon
Chairman



MASSACHUSETTS TURNPIKE AUTHORITY

The Massachusetts Turnpike Authority was created by Chapter 354 of the Acts of 1952 as an autonomous instrumentality of the Commonwealth to discharge the public functions which have, from time to time, been delegated to it by the Legislature. The Authority acts through a board of three members, one of whom is designated as Chairman, who are appointed by the Governor for terms of eight years.

The Authority operates the Massachusetts Turnpike and the Callahan-Sumner Tunnels as two separate and financially distinct facilities. The facilities were financed by means of three revenue bond issues totalling over five hundred million dollars. Neither the faith and credit nor the taxing power of the Commonwealth of Massachusetts or of any political subdivision thereof is pledged to the payment of the principal of or interest of the bonds. The funds providing for the maintenance, operation and policing of these facilities, as well as principal and interest payments on the bond issues, are derived solely from tolls and other revenues generated by users.

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MASSACHUSETTS TURNPIKE AUTHORITY

STATE TRANSPORTATION BUILDING

SUITE 5170 - 10 PARK PLAZA

BOSTON, MASSACHUSETTS 02116



ALLAN R. MCKINNON, CHAIRMAN
EDWARD T. HANLEY, VICE-CHAIRMAN
ANNE H. MCHUGH, MEMBER

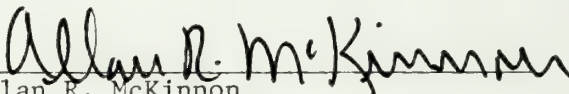
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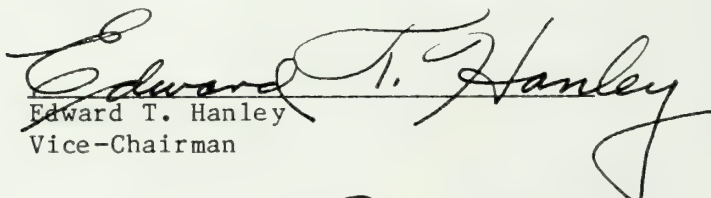
His Excellency Michael S. Dukakis
Governor of the Commonwealth of Massachusetts
and
Members of the Senate and House of Representatives
State House
Boston, Massachusetts 02133

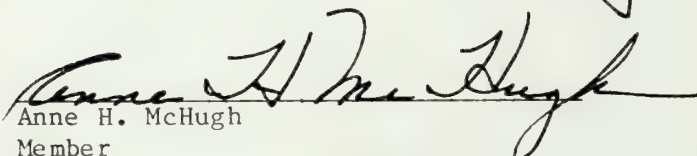
His Excellency and Honorable Members:

In accordance with this Authority's enabling legislation, section 15, Chapter 354, Acts of 1952, as amended, we are pleased to submit herewith the Thirty-fourth Annual Report of the Massachusetts Turnpike Authority covering the 1987 operation of the Massachusetts Turnpike and the Callahan-Sumner Tunnels.

Further, in accordance with the provisions of Chapter 32, section 20, subsection 5, paragraph (i) of the General Laws, we are also submitting herein the report of the financial condition of the Massachusetts Turnpike Authority Employees' Retirement System as of December 31, 1987.


Allan R. McKinnon
Chairman


Edward T. Hanley
Vice-Chairman


Anne H. McHugh
Member

MASSACHUSETTS TURNPIKE AUTHORITY

BOARD MEMBERS

Allan R. McKinnon
Chairman



Edward T. Hanley
Vice Chairman



Anne H. McHugh
Member



John T. Driscoll
Former Chairman
Retired, 1987



MASSACHUSETTS TURNPIKE AUTHORITY

STAFF MEMBERS



S.J. Britton
Secretary-Treasurer



N.J. Fenochietti
*Executive Assistant
to the Chairman*



M.C. Crain
Chief Engineer



W.P. Driscoll
*Superintendent
of Tunnels*



D.R. Nagle
Director of Real Estate



J.W. Francis
Director of Personnel



E.F. Saunders
Resident Counsel



J.T. Dias
Maintenance Engineer



J.A. Vitagliano
*Superintendent of
Toll Collection*



F.H. Blackburn
*Equal Employment
Opportunity Officer*



R.A. Morse, Jr.
*Commander, Troop 'E'
Mass. State Police*

MASSACHUSETTS TURNPIKE AUTHORITY

STAFF MEMBERS



J.N. Grim
Assistant Chief Engineer



M. MacKenzie
*Director of Community and
Legislative Relations*



E.M. King
*Director of
Community Relations,
to September, 1987*



W.D. Crowther
*Assistant
Superintendent
of Tunnels*



P.F. Byron
*Assistant Secretary-
Assistant Treasurer*



W.M. Coffill
*Manager of
Computer Services*



K.R. Lewis
Controller



P.D. Brown
*Special Assistant
to the Chairman*



G.F. Coughlin
*Secretary to
Retirement Board*



J.B. Grimaldi
Construction Engineer



H. Healy
*Secretary
to the Chairman,
Retired*

FINANCIAL HIGHLIGHTS 1987

The year 1987 was one of significant financial accomplishment for the Massachusetts Turnpike Authority.

Gross revenues of the Massachusetts Turnpike increased by \$5,734,713, or by 6.1%, i.e., from \$93,728,602 in 1986 to \$99,463,315 in 1987. Gross revenues of the Callahan-Sumner Tunnels increased by \$81,670, or by 1%, i.e., from \$10,151,528 in 1986 to \$10,233,198 in 1987. The Authority's total operating expenses increased by \$3,046,843, or by 7.3% over 1986 expenses. Combined net revenues amounting to \$65,125,278 was \$2,769,540, or 4.4%, greater than in 1986.

A total of \$18,359,980 principal amount Series B Revenue Refunding bonds were retired in 1987, leaving a balance of \$27,763,565 principal amount outstanding as of December 31, 1987. The average purchase price of Series B bonds retired in 1987 was 105.52.

A total of \$1,929,000 principal amount Callahan-Sumner 4.75% Series 1959 Tunnel Revenue bonds were retired during 1987. The average purchase price of Callahan-Sumner Tunnels bonds retired in 1987 was 99.77. Outstanding Callahan-Sumner Tunnels bonds have been reduced from \$54,400,000 to \$6,218,000, or by 88.6% as of December 31, 1987.

REPLACEMENT RESERVE PROJECTS

Construction contracts for repair and rebuilding of the Turnpike facilities were awarded in 1987 in the amount of \$28 million. The Replacement Reserve Program included \$14.5 million for bridge repairs and \$13.5 million for roadway and ramp improvements.

Bridge Repairs

Contracts were awarded for the replacement of ten bridge decks carrying Turnpike traffic over local roads. Five of the bridge decks on the westbound roadway were located between Interchange 11 in Millbury and Interchange 11A in Westborough. The five eastbound bridge decks will be replaced in the 1988 program. The sixth and seventh bridges were located at mile 22.5 in the Town of Otis and mile 15.9 in the Town of Becket. The remaining three bridges were located between Interchange 1 and the New York border at mile 2.54 and mile 2.48 in the Town of Stockbridge and mile 0.8 in the Town of West Stockbridge. These contracts required completion of work over two years with one roadway completed each year. For the bridges between Interchanges 11 and 11A, the normal three lanes of traffic were maintained and for the bridges at miles 22.5, 15.9, 2.54, 2.48 and 0.8 the normal two lanes of traffic were maintained in both directions throughout the construction period. The maintenance of all normal lanes was accomplished by providing one contra-flow lane on the opposite roadway separated for safety by use of temporary concrete barriers.

Bridge deck repairs were made by contract on the eastbound roadway of Structure No. 9 carrying the Turnpike over Interstate Route I-95 east of Interchange 15 in Weston. These repairs were performed in a manner that permitted uninterrupted travel during peak commuter traffic hours by use of a detour on the westbound roadway. Repair of the westbound bridge deck is scheduled for 1988.

In conjunction with some of the bridge deck reconstruction contracts, items of work included repair of bridge substructures, bearings and joints as well as work on the adjacent drainage structures at the bridge approaches.

Other bridge repair projects awarded included bridge painting of the structural steel for 13 bridges on the Turnpike in Boston and Newton, bridge bearing replacements at Worcester Street, mile 98.1 and Reservoir No. 3, mile 112.0, as well as a replacement of a damaged stringer at the bridge at mile 50.9.

Roadway Improvements

Contracts for pavement resurfacing with a bituminous concrete overlay were awarded for the Turnpike between mile 0 and mile 4, mile 79.3 and mile 89.0, and mile 127.7 and mile 133.3. The contracts for resurfacing included drainage improvements and replacement of highway guard conforming with current standards. The contracts for resurfacing from mile 79.3 to mile 89.0 and mile 127.7 to mile 133.3 were completed during the 1987

FINANCIAL HIGHLIGHTS 1987

construction season. The resurfacing between mile 0 to mile 4 was completed for only a portion of the roadway since it was dependent on the bridge deck reconstruction in that area which requires a two year construction period. As part of the resurfacing between mile 0 to mile 4, Interchange 1 will be resurfaced using a high stability type asphalt mix to overcome rutting at the toll plaza. The resurfacing between mile 127.7 to mile 133.3 includes the toll plaza at Interchange 19 which also received the high stability pavement.

Other roadway improvements included a contract for replacing masonry walls at Pump Station No. 4 and a contract for providing debris screens for Pump Stations No. 2, 4 and 7 in Boston. In addition, right-of-way fencing was replaced at various locations and anti-missile fencing on overhead bridges was installed between mile 55.0 and mile 120.5

Toll Collection Equipment

In 1984, a contract was awarded for replacement of the existing toll collection equipment with a new computerized toll collection system. The contract provided for design, manufacture, installation and testing of the new equipment at Authority facilities.

COMMUNICATIONS

During 1987, the Authority's communication consultant submitted three reports that addressed our communication needs and requirements, suggested alternative conceptual designs and finalized a communications plan complete with cost estimates. Upon approval of the final communications plan, the consultant prepared a draft version of the purchase specification to solicit bids from prospective vendors on a turnkey basis. The new communications systems will have a fiber optics cable backbone with some microwave connections that will interconnect all of the Authority's facilities along the entire length of the Turnpike as well as the Callahan-Summer Tunnels and the executive offices in the Transportation Building. The fiber optic backbone will have the capability of transmitting voice, data and video laser light beam signals at very high speeds between the various Turnpike facilities and with excess capacity to provide for the communication needs of other agencies of the Commonwealth. Besides the fiber optics backbone, the Authority's communications plan includes a new 800 MHZ mobile

The system consists essentially of electronic toll lane equipment at each booth, connected with dual computers to collect toll lane data at each plaza. A host computer at the data processing center assembles and processes the toll plaza information for transmission to toll audit computers.

Callahan Summer Tunnels

A contract was awarded for the repair of the concrete lanes at toll plazas. The top two inches of the concrete surface was milled off and replaced with a methyl methacrylate polymer concrete. Due to the fast curing qualities of this material, traffic was maintained through all toll lanes during the morning and evening peak commuting periods and thereby avoided traffic delays.

Contracts carried over from 1986 included placing dry standpipe systems for improved fire control inside the Callahan and Summer Tunnels, repair of concrete and replacement of pumps in the Summer Tunnel portal pump rooms and construction of masonry block wall enclosures in the Callahan Tunnel ventilation buildings to provide heated areas for electrical equipment.

radio system for the State Police, maintenance, administrative and toll department vehicles. The existing telephone systems will also be replaced with the latest state of the art equipment.

Improvements to the existing radio system were implemented during the year. Low band radios were installed in the State Police cruisers to connect the Authority cruisers with the off-Turnpike State Police vehicles. The leased telephone lines that tie together the State Police radio repeater stations were also made redundant by the installation of a 450 MHZ radio link. This radio link provides a back-up to the leased telephone lines should they become inoperative. Other improvements to the existing radio system included the installation of new crystals in all maintenance vehicle radios to eliminate co-channel interference; installation of new antennas at various radio towers; and refurbishing equipment shelters at radio tower sites with insulation, heaters and air conditioners.

HIGHLIGHTS 1987

TURNPIKE IMPROVEMENT PROGRAM

In 1986, the Turnpike Authority authorized a four-year highway improvement program to reduce traffic congestion, improve safety and meet travel demand on the Turnpike. The program will be financed with \$40 million of Turnpike bonds issued on July 1, 1986 and augmented with regular replacement reserve funds.

The improvements fall into two categories. The first provides for upgrading and modifying the toll collection system. The second consists of widening and improvements to interchange ramps and a section of the mainline roadway.

Environmental studies for a major portion of the program were carried on through most of 1987. The Environmental Impact Report (EIR) will address travel demand, noise, air quality, water supply, wetlands, lighting, recreation and archaeological impacts.

A summary of the planned improvements to be evaluated in the EIR is as follows:

Interchange 15 (Weston)

Convert tolls to fixed fee system

Interchange 14 (Weston)

Convert tolls to fixed fee system

Widen eastbound and westbound ramps

Relocate eastbound off ramp

Provide a westbound truck climbing lane

Mainline Turnpike (Interchange 13 to 14)

Add two lanes (one lane in each direction)

Expand truck parking at eastbound Natick Service Area

Interchange 13 (Natick/Framingham)

Remove all tolls

Widen ramps which lead to and from the east

Interchange 12 (Framingham)

Remove westbound toll booths

Relocate eastbound toll booths

Mainline Turnpike (Between Interchanges 11A and 12)

Build new barrier toll plaza (no ramps) for through traffic at Southborough-Westborough line

A community relations program was established as part of the environmental process. A local liaison group (LLG) comprised of representatives from the affected communities met regularly in 1987 with the Authority and consultants to monitor the progress of the Environmental Impact Report. A series of meetings with the LLG group and community leaders provided the opportunity to introduce the projects as well as to receive input on the concerns of abutting neighbors. Public informational meetings are planned for early February 1988. The Draft EIR is expected to be issued a month later.

Projects in the improvement program planned at Interchange 9 in Sturbridge and Interchange 10 in Auburn which do not require the preparation of an EIR are scheduled to be advertised for construction in 1988. The westbound off ramp at Interchange 9 is to be widened to three lanes. At Interchange 10, two toll lanes are to be added, a new toll building is to be constructed and the ramps to and from the west are planned to be widened to two lanes.

STATE POLICE

The Massachusetts State Police Troop E, assigned to the Authority, patrol the 1100 lane miles of the Turnpike from Downtown Boston to the New York state line. The troopers responded to over 1500 accidents of which 349 involved personal injury. They issued over 40,000 motor vehicle citations and arrested 2,292 individuals for various criminal offenses. With the aid of Emergency Service Patrol personnel, they assisted over 27,400 vehicles that became disabled within their jurisdiction.



HIGHLIGHTS 1987

(State Police, cont.)

A planned increase of State Police personnel resulted in the expansion of the Commercial Vehicle Enforcement Unit. This specialty team is responsible for all "truck traffic" including the management of hazardous waste or toxic chemical spills. The adoption of Title 10 and 49 of the Federal Regulations and the Motor Vehicle Carrier Safety Act, along with the addition of new equipment, have resulted in an increase of over 110% in commercial vehicle citations issued.

The Radar Team strength was also increased. This unit along with additional radar patrols makes use of a diversity of State Police vehicles in their efforts to enforce the 55 mph speed limit which remains in effect along the length of the Turnpike. Included in the fleet are the traditional marked cruisers, as well as semi-marked cruisers which have the rear trunk state police decal removed and the over-

head lights taken off the roof with a modified strobe system placed on the inside deck of the rear window. This results in many "high rollers", to their surprise, going right past the cruiser even in broad daylight. The troopers also utilize a fleet of unmarked patrol vehicles which includes a 5 liter specially equipped police package Mustang. The most frequent traffic violation observed on the Turnpike remains excessive speed. This enforcement team concentrates its efforts on that violation and in particular the professional or repeat violator. Both specialty teams will frequently pool their strength to address a specific problem that may need attention.

The State Police efforts in 1988 will involve the use of high visibility patrols as well as increased motor vehicle enforcement pressure to continue to make the Massachusetts Turnpike one of the safest roads to travel on in the nation.

TOLL COLLECTION

During 1987, the Toll Collection Division processed the largest number of vehicles in the history of the Authority. The total traffic for both the Initial Turnpike and the Boston Extension amounted to 129,000,000 vehicles, an increase of more than 5% as compared to 1986. Of this total, 51% was handled by the Initial Turnpike and 49% by the Boston Extension.

The most singular achievement of the Toll Collection Division during 1987 was the highly successful conversion to the new computerized toll collection system that replaced the original system which had been in place since 1957. The conversion program was accomplished in two phases during March, with the Boston Extension preceding the Initial Turnpike by two weeks. This complex program required the coordination of the Engineering Division, the Toll Collection Division, Data Processing, State Police and Cubic Western Data, the toll collection system's vendor. Because of the spirit of cooperation and the commitment to the project's success by all parties, the conversion program was accomplished without any disruption whatsoever to the Turnpike traffic. A particular tribute is due to all of the individual toll collectors, whose professionalism and dedication during the lengthy pre-conversion training program was



instrumental in the successful transition to the new system.

Since its installation, the new toll collection system has met or exceeded most of the expectations of the Toll Collection Division. The new system has already demonstrated superior traffic throughput capacity and offers the promise of further significant decreases in traffic processing time.

HIGHLIGHTS 1987

MAINTENANCE

The bridge, highway, building and equipment maintenance crews continued their efforts in maintaining, repairing, and in some cases, remodeling and upgrading the Authority's facilities. In addition, there have been some milestone events which have been achieved in the areas of purchases, general appearance improvements, roadway management and toll plaza maintenance.

Motorized Equipment

The program to replace and upgrade the motorized equipment was continued with the purchase of twelve (12) 1987 Oshkosh 6 x 6 snow fighter trucks equipped with front and wing plows, spreaders and center scrapers. Ten (10) 1987 Ford L8000 trucks with spreaders and front and wing plows were also acquired. All have the newest sensor units for automatically metering the application of deicing chemicals. A new grader was also acquired this year replacing a 1960 unit. These 1987 purchases provide the Authority with state of the art heavy equipment which will serve maintenance needs well into and beyond the next decade.

Three (3) 1957 and two (2) 1965 snow blowers are scheduled for replacement in 1988.

With excellent turnouts, the equipment auctions held in June and October of 1987 proved to be great successes. \$202,933 was generated by the June auction and \$415,720 was generated by the October auction.



Road Surface and Weather Monitoring System at work.

Beautification

In conjunction with the Governor's Beautification Program, the Maintenance Department has expanded areas of highway beautification. New wild-flower sowings as well as flowering trees and other shrubbery plantings have been placed at interchanges and various locations along the roadway.

Bridge and Road Surface and Weather Monitoring Systems

The Road Surface and Weather Monitoring System powered by photovoltaic arrays has been operating since January 1987. This system was built under a grant supplied by the State Executive Office of Energy Resources. It is a micro-processor based information system which uses sensors to provide the maintenance forces with continuous information about pavement conditions at four key bridges along the Turnpike. In addition to forewarning of freezing roadways and bridges, it provides a video display of atmospheric data, precipitation and weather forecasts.

Since the start-up of this monitoring system, it has become an important tool in the management of snow and ice control operations. All maintenance depots are now able to monitor this information via the Authority's internal telephone system.

Callahan-Sumner Tunnels

Vehicles entering the Sumner Tunnel from Logan Airport experienced fewer delays and a more orderly flow of traffic into the toll lanes as a result of plastic stanchions installed in the roadway to provide vehicular channelization in this area.

This channelization is the first phase of a Commercial Vehicle Lane Project to enhance traffic flow from Rt. 1A into Metropolitan Boston and also reduce diversion of regional traffic to local East Boston streets.

The Commercial Vehicle Lane Project involves a coordinated effort by the Massachusetts Turnpike Authority in conjunction with the Massachusetts Port Authority, Massachusetts Department of Public Works and the City of Boston working together under the leadership of the Executive Office of Transportation and Construction.

HIGHLIGHTS 1987

CAR POOLING

As evidenced by its favorable renewal rate, the Authority's Car Pool Program continued in 1987 to be a popular ridesharing incentive. Implemented in 1980, the program offers substantially reduced toll charges to passenger vehicles regularly carrying three or more people.

In 1987, the Board of the Massachusetts Turnpike Authority reaffirmed its commitment to carpooling by authorizing the execution of a professionally conducted awareness campaign aimed at emphasizing to the motoring public the program's existence and availability.

Since its inception, thousands of Massachusetts Turnpike commuters have enjoyed the many benefits of this unique program.

**A
CAR
POOL
PASS
IS MONEY
IN YOUR
POCKET.**



REAL ESTATE

On The Move...

The Real Estate Department moved to its new location at 128 North Street in the North End in July of this year. Our move was facilitated by the cooperation of the Tunnel's Maintenance Department.

Patron Services

Marriott Corporation, the successor to Howard Johnson Company, commenced its first full year of operating the restaurants on the Turnpike and completed the remodeling and conversion of Service Area 1E (Lee) to a Burger King with a gift shop, and Service Area 5E (Charlton) to a Howard Johnson/Roy Rogers with a gift shop. The remodeling and conversion of Service Areas 7W (Framingham) to a Burger King/Popeye's and snack bar, 6AW (Westboro) to a Sbarro Italian Eatery, and the addition of a gift shop at Service Area 6W (Charlton) are expected to be completed in early 1988.

Additionally, F. L. Roberts & Company, Inc. began converting many of the stations to provide for self-serve. New islands, canopies, kiosks and pumps were installed, and training of their employees was accomplished.

Throughout all of the construction, service to our traveling patrons was maintained.

Cleanup Campaign

The Authority's involvement in the Governor's Annual Cleanup Campaign was coordinated with the Maintenance Division and Turnpike abutters. Particular attention was given to the cleanup of the Conrail right of way. The Turnpike Maintenance and Patron Service Divisions were assigned to the cleanup task, and the Authority's Vector was loaded on a Conrail flatbed to clean along the right of way. The City of Newton cooperated in this effort by cleaning along the Authority's fence-line in Newton and by allowing the debris to be disposed of at its Rumford Avenue Transfer Haul Station. Many of the abutters in Newton cooperated in the cleanup effort and cleaned along the fenceline bordering their properties. We look forward to working cooperatively with our "neighbors" again next year.

Tow Contractors

Supervision of our tow contractors was increased this year primarily because this was the first year of implementing the new contracts. Our efforts were coordinated with the Auditing Department who conducted many spot audits of certain contractors when requested. The increased monitoring of the tow contractors in cooperation with the State Police and the Auditing Department, resulted in better performance this year.

HIGHLIGHTS 1987

Emergency Service Patrol

Once again the Emergency Service Patrol had a busy year providing emergency road service to our traveling patrons. The division recorded 27,400 service calls in 1987, a 14% increase over 1986. Moreover, the 17 employees of the Emergency Service Patrol were honored by the Governor for their exceptional performance and dedication by being awarded the Commonwealth's Pride in Performance Award.

Service Areas

The remodeling of the restaurant and gas station facilities provided a fresh look in the service areas. The innovative restaurant concepts and gift shops by Marriott, and the installation of self-serve islands by F. L. Roberts, are consistent with the Authority's effort to provide convenience for our traveling patrons. The Authority will be considering the expansion of certain parking areas and the construction of a truck stop next year.

Air Rights Development

Interest in air rights development over the Turnpike did not diminish in 1987. Several inquiries were made concerning development possibilities on the Boston Extension in the vicinity of Chinatown. A Japanese delegation comprised of government and businessmen visited the Authority in September to discuss air rights development, particularly Copley Place. Students from MIT's Department of Urban Studies and Planning met with the Authority to gather information on air rights development for their course in Community Growth and Land Use Planning. We envision that many of the air rights projects proposed last year will be viable in 1988.

Fiber Optics

The Authority's desire to modernize its communications system may become a reality in the next few years. We have been negotiating with several fiber optic companies who are interested in installing fiber optic cable on the Turnpike which will, in addition, provide access to this state of the art communication system for the Authority and state agencies. We anticipate finalizing these negotiations in 1988.

Licensing and Leasing

Licensing and leasing of Authority owned properties is the responsibility of the Real Estate Department. The income generated from licenses and leases in 1987 was in excess of seven (7) million dollars.

AFFIRMATIVE ACTION

EQUAL EMPLOYMENT OPPORTUNITY OFFICE

Equal Employment Opportunity/Affirmative Action (EEO/AA) has been the pivotal base in the Authority's overall 1987 operation. Measures were taken to ensure that members of protected groups are represented equitably in the employee population. The results were positive. Enhanced efforts were employed to increase contractual opportunities for owners of women and minority businesses and to facilitate equality for the groups identified. The general outcome of those endeavors was also affirmative. Because of the actions taken and their effects, the Authority has realized measurable gains pursuant to its general EEO/AA commitments.

An aggregation of quantitative data separated by job group, geographical location, level, race and sex was used to determine the number of personnel employed by the Authority in 1987. A thorough analysis of the information compiled disclosed that minorities and women jointly constituted 34% of that accumulated work force. According to the data of the same employee group, minorities and women were 13% and 21% respectively. Finally, it was shown that the Authority's 1987 work force included gains of 2% for minorities and 1% for women.

Annually, the Authority sponsors a Summer Seasonal Program to provide a limited number of employment opportunities for the months of June, July and August. During the summer of 1987, 34% of the people hired due to the program were women. Minorities accounted for 27% of the seasonal hires for the period. This program, in terms of hiring minorities and women, was the most successful ever conducted by the Authority.

As a direct consequence of EEO/AA efforts, the objectives and goals established for the Authority's Minority Business Enterprise (MBE) Programs were realized. In 1987, the Authority launched a campaign to identify and communicate directly with owners of women and minority businesses and/or through participation in events designed for that purpose. This approach was responsible for generating more viable business opportunities and other favorable circumstances which encouraged additional women and minority business owners to enter into and to sustain contractual relationships with the Authority. In 1987, the number of contracts awarded to MBE's by the Authority for goods added up to \$335,411.34 and for services the sum was \$126,672.05. The dollar amounts listed represented 8.7% and 10.9% of the Authority's dollar base for the contract categories named. The goal set for MBE contracts in each class was 5%. The total number of contracts awarded to MBE's for construction was \$2,846,542.00 or 13% of the Authority's dollar base for that category — the established goal was 10%.

The Massachusetts Turnpike Authority is cognizant of its accepted and binding commitment to EEO/AA. Applying this as an operating principle — the Authority is striving to make certain that EEO/AA is more than merely a publicized policy, but is in fact a practice which is diligently pursued. This posture immeasurably strengthened and sustained EEO/AA throughout 1987. Subsequent Authority initiatives will create increased affirmative consequences for protected group members.

CREDIT UNION 1987

Due in large part to the diligent efforts of a fifteen-member Board of Directors, the Turnpike Credit Union has grown impressively since being established in February, 1974.

Statistically, total assets increased to \$2,553,060 as of November 30, 1987. Also as of this date, 900 Authority employees were members owning share account deposits of

\$1,465,372, term deposits of \$313,386, money market deposits of \$383,294, and Christmas Club account deposits in the amount of \$16,854.

The Turnpike Credit Union enters 1988 looking forward to another year of providing a comprehensive program of savings and loan services to its membership.

SERVICE AWARDS FOR 1987

During 1987, the following personnel received Length of Service Awards:

39 YEARS

John P. DeAngelis
Security Officer

33 YEARS

Mary C. Ahern
Administrative Assistant to the
Chief Engineer
Ann P. Cassidy
Assistant Secretary

32 YEARS

Melvin C. Crain
Chief Engineer
Helen E. Healy
Assistant Secretary
Francis M. Hoey
Supervisor of Insurance and
Permits
Ethel K. McCluskey
Administrative Assistant to the
Secretary/Treasurer

31 YEARS

William M. Coffill
Manager of Data Systems
Richard F. Filiault
Supervisor of Toll Audit

30 YEARS

Mario M. Anzalotti, Sr.
Senior Maintenance Clerk
George A. Armstrong
Maintenance Clerk
Paul J. Berthiaume
Heavy Equipment Operator
Richard J. Brennan
Operations Assistant to the
Manager of Data Systems
Harry J. Carlson
Foreman of Maintenance
Henry R. Cauley
Communications Equipment
Service Coordinator
Peter Cianfrocca
Foreman of Motor Equipment

Vincent A. Dell'Olio
Maintenance Worker

Sigmund J. Dymon
Maintenance Clerk

John N. Ethier
Heavy Equipment Operator

Edward G. Fitzgerald
Supervisor of Maintenance

Charles D. Forster
Toll Operations Coordinator

Charles D. Freeman
Senior Toll Collector

John M. Giaquinto
Assistant Foreman

John T. Hughes
Supervisor of Maintenance

Ralph C. Julian
Assistant Plaza Supervisor

Carol A. Latfy
Temporary
Chief Accountant

John P. McCarthy
Supervisor of Maintenance

Norman J. McCormick
Radio Teletype Operator

Edward F. McGrady
Emergency Services Patrolman

John Melkonian
Supervisor of Special Projects

John J. Nelligan
Maintenance Worker

Thomas F. O'Brien
Heavy Equipment Operator

Stephen A. Palmieri
Section Supervisor of Tolls

Kenneth B. Pease, Jr.
Heavy Equipment Operator

James E. Sullivan
Assistant Superintendent of Toll
Collection

Joseph L. Walkowiak
Toll Collector

Martin E. Walsh
Senior Storekeeper

Joseph E. Yon
Maintenance Clerk

25 YEARS

Gerard F. Galvin
Coordinator of Ticket Batching

John F. McCarthy
Supervisor of Safety

William J. McCorkle
Supervisor of Motor Equipment

Thomas H. O'Donnell
Construction Inspector

Louis F. Piecuch
Foreman of Motor Equipment

Robert J. Shaughnessy
Chauffeur

John J. Sweeney, Jr.
Emergency Service Patrolman

20 YEARS

Paul P. Desy, Jr.
Heavy Equipment Operator

John W. Herbert
Toll Collector

John W. Hunt
Heavy Equipment Operator

James M. Kelly
Foreman of Maintenance

Angelo Monaco
Maintenance Worker

Richard E. Squires
Toll Collector

Frederick C. Strycharz
Toll Collector

15 YEARS

Vincent Amoroso
Toll Collector

John F. Barrett, Jr.
Maintenance Worker

Gerald C. Conrad, Jr.
Toll Collector

Joseph R. Fielding
Supervisor of Computer
Operations Temp.

Leo W. Gorman
Toll Collector

Walter F. Hill
Assistant Section Supervisor of
Tolls, Acting

Sow Gin Jue
Toll Collector

Richard A. Mears
Electrician

Margaret J. O'Brien
Senior Toll Audit Clerk

Maxwell James Oden
Toll Collector

Michael P. O'Shaughnessy
Senior Maintenance Clerk

Henry O. Peets
Construction Inspector

Joseph F. Reardon
Manager of Employee
Compensation and Benefits

Clifford J. Ryan
Toll Collector

Carl Sayman
Toll Sergeant

Pasquale Sebastiani
Toll Collector

George Simon
Senior Maintenance Clerk

Lucy Scott
Supervisor of Accounts Receivable

Lee J. Wentzell
First Class Mechanic

At a testimonial dinner on Thursday, October 1, 1987, the following Massachusetts Turnpike Authority employees were among those selected throughout the Commonwealth to receive a Pride in Performance Recognition Award from Governor Michael S. Dukakis:

Joanne M. Bongiorno
Senior Typist Clerk

Retirement Department
John P. DeAngelis
Security Officer

Tunnels
Arthur Y. Hoey
Toll Sergeant

Tunnels
Clarence Lemieux
Foreman of Maintenance

Tunnels

(Nominated together as
one team)

Donna M. Porcello
Senior Typist Clerk

Data Processing
Lenora I. Rego
Senior Typist Clerk

Data Processing

Emergency Service Patrol
(17 members)

Alan R. Brooks
Supervisor

Charles E. Benoit
Charles E. Boucher

William J. Boyce
Thomas R. Caggiano

Paul R. Demers
John DiGregorio

John Ferraro

John N. Hess, Jr.
Edward F. McGrady

Timothy M. Moran
George P. D. Porter

Richard T. Rooney
Thomas J. Rooney

John J. Sweeney, Jr.
Roland L. Theriault, Sr.

John P. Tuttle

RETIREES FOR 1987

EXECUTIVE OFFICE:

John T. Driscoll
Chairman

Helen E. Healy
Assistant Secretary

DATA PROCESSING:

Veneranda Sciortino
*Assistant Supervisor,
Toll Audit*

ENGINEERING AND MAINTENANCE:

Wallace R. Alexander
Foreman of Building Maintenance
Edward P. Bien
Maintenance Clerk

Thomas L. Bowes
First Class Mechanic
Vincent A. Dell'Olio
Maintenance Worker
John M. Giaquinto
Assistant Foreman
Kenneth R. Gillette
Foreman of Maintenance
William McBride
First Class Mechanic
Edward E. McCarthy
Supervisor of Stores
Joseph C. Miron, Jr.
Senior Maintenance Clerk

Angelo Monaco
Maintenance Worker
Thomas F. O'Brien
Heavy Equipment Operator
Kenneth J. Pimental
First Class Mechanic
Durwood A. Tetreault
Supervisor of Maintenance
Donald M. Winslow
Maintenance Clerk
Arthur A. Wright
*Building Maintenance
Man-Skilled*

TOLL COLLECTION:
Raymond J. Bourgeois
Toll Collector

Leo Ladouceur
Toll Collector
Virginia V. Nardi
Toll Collector
Thomas E. Nash
Senior Toll Collector
Kenneth F. Sanders
Toll Collector

TUNNELS DIVISION:

Carmelo Marino
Toll Collector
Ralph Masciulli
Toll Collector
Anthony G. Suozzo
Foreman of Maintenance

DEATHS — 1987

*John J. Tabone
Maintenance Clerk
01/22/87

*James H. Maguire
Security Officer
02/02/87

*Frank Alcares
Toll Collector
02/04/87

Alphonse A. Jacques, Jr.
*Building Maintenance Man,
Skilled*
02/18/87

*Harold Finn
Superintendent of Toll Collection
02/19/87

*Theodore J. Cournoyer
Janitor
02/21/87

*Chester P. Henley
Maintenance Man
02/23/87

*Edward J. Socha
Courier
02/24/87

Stanislaw Mroczkowski
Toll House Porter
03/10/87

*Robert F. Flatley
Senior Storekeeper
03/16/87

*John P. McCarty
Toll Collector
05/21/87

*Michael J. Wallace
Supervisor of Ticket Batching
05/28/87

*Daniel J. Cronin
Toll Collector
06/14/87

*Peter C. Batalis
Head Truck Solicitor
07/06/87

*John W. Dazelle
Light Equipment Operator
07/19/87

*James Brooslin
Assistant Supervisor, Stores
07/19/87

*Irving M. Cagan
Toll Collector
07/26/87

*Henry McManus
Plaza Supervisor
08/05/87

Kenneth M. Martin
Senior Storekeeper
08/07/87

*Edward F. Thompson
Toll Collector
08/09/87

*John Solomon
Heavy Equipment Operator
08/14/87

John C. O'Brien
Senior Toll Audit Clerk
08/25/87

James L. Trayers, Sr.
Chauffeur
09/28/87

*Maurice Ford
Foreman Maintenance Mechanic
10/13/87

*Charles Salvatore
Plaza Supervisor
10/14/87

*William B. Watts
Toll Collector
12/10/87

*Retired

February 10, 1988
Members of the Board
Massachusetts Turnpike Authority
Boston, Massachusetts 02116

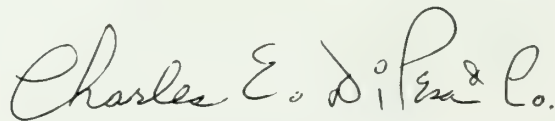
We have examined the Statements of Condition of the two financially distinct facilities of the Massachusetts Turnpike Authority, the Massachusetts Turnpike and the Callahan-Sumner Tunnels, as of December 31, 1987 and 1986 and their related Statements of Revenues and Expenses and Changes in Fund Balances for the years then ended pursuant to the respective Trust Agreements. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As more fully described in Note 3, the Authority's policy is to prepare its financial statements on the basis of accounting practices prescribed by the Trust Agreements. These practices vary in some respects from generally accepted accounting principles. Accordingly, the financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles. As a matter of policy and public information, also presented are combined financial statements of the Massachusetts Turnpike and the Callahan-Sumner Tunnels.

In our opinion, the aforementioned financial statements present fairly the financial positions of the Massachusetts Turnpike Authority entities — the Massachusetts Turnpike and the Callahan-Sumner Tunnels, as of December 31, 1987 and 1986 and the revenues and expenses and changes in fund balances for the years then ended in conformity with the provisions of the Trust Agreements, as set forth in Note 3 to the financial statements applied on a consistent basis.

Our examination was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary data is presented for the purpose of additional analyses in supplementary schedules 1 through 6 and is not a required part of the basic financial statements. Such information has been subjected to the same auditing tests and procedures and, in our opinion, is stated fairly in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,



Charles E. Di Pesa & Co.
Certified Public Accountants

MASSACHUSETTS TURNPIKE AUTHORITY
COMBINED STATEMENT OF CONDITION (Note 3b)
AS OF DECEMBER 31, 1987 and 1986



<i>Assets</i>	1987	1986
Cash (Note 4)		
Operating	\$ 391,600	\$ 729,909
Toll Depository Banks	7,299,217	6,973,637
Bond Interest	5,258,500	5,563,212
Investments (Note 4)	89,114,649	88,840,713
Accrued Interest on Investments	272,248	272,824
Accounts Receivable	2,540,364	2,482,478
Inventories	411,040	430,776
Deposits, Prepaid and Deferred Items	1,412,172	1,863,737
Escrow Funds	56,793	49,793
Investments in Annuity Contract (Note 8)	2,946,638	2,273,544
Cost of Massachusetts Turnpike and Callahan-Sumner Tunnels to Date	555,237,950	554,474,426
Total Assets	\$664,941,171	\$663,955,049

Liabilities and Fund Balances

Accounts Payable	\$ 1,760,220	\$ 1,351,093
Accrued Expenses and Payroll	2,958,768	2,669,370
Withholding from Employees	35,383	39,935
Deposits and Deferred Income	929,340	1,290,413
Bond Interest — Unpaid Coupons	62,357	62,786
Deferred Compensation (Note 8)	2,946,638	2,273,544
Medical Benefits Claims Reserve	104,849	191,255
Retainage	2,990,397	2,223,321
Revenue Bonds Outstanding	211,981,565	232,270,545
Fund Balances		
Revenue Bonds Retired	382,018,435	361,729,455
Fund Balances	59,153,219	59,853,332
Total Fund Balances	\$441,171,654	\$421,582,787
Total Liabilities and Fund Balances	\$664,941,171	\$663,955,049

The accompanying notes are an integral part of the financial statements.

MASSACHUSETTS TURNPIKE AUTHORITY
COMBINED STATEMENT OF REVENUES AND EXPENSES (Note 3b)
FOR THE YEARS ENDED DECEMBER 31, 1987 and 1986



<i>Revenues</i>	1987	1986
Toll Revenue (Net)	\$ 99,099,269	\$ 94,285,853
Restaurant Revenue	1,949,564	1,782,807
Service Station Revenue	1,705,757	1,495,220
Rental Income	2,914,627	2,350,955
Miscellaneous	319,723	240,145
Income from Investments		
Redemption Account	197,041	151,127
Revenue Fund	270,528	295,752
Replacement Reserve Fund	1,739,109	1,626,883
Bond Interest Accounts	308,975	325,231
Reserve Account	1,191,920	1,326,157
Total Revenues	\$109,696,513	\$103,880,130

Operating Expenses

Administrative	\$ 6,308,409	\$ 5,433,365
Retirement	4,122,306	4,565,476
Toll Collection	14,548,786	12,719,754
Police Patrol	3,731,024	3,375,393
Engineering and Maintenance	15,860,710	15,430,404
Total Operating Expenses	\$ 44,571,235	\$ 41,524,392
Excess of Revenues Over Operating Expenses	\$ 65,125,278	\$ 62,355,738
Interest Requirements	\$ 8,718,775	\$ 9,598,911
Percentage of Interest Earned	746.95	649.61

COMBINED CHANGES IN FUND BALANCES (Note 3b)
FOR THE YEARS ENDED DECEMBER 31, 1987 and 1986

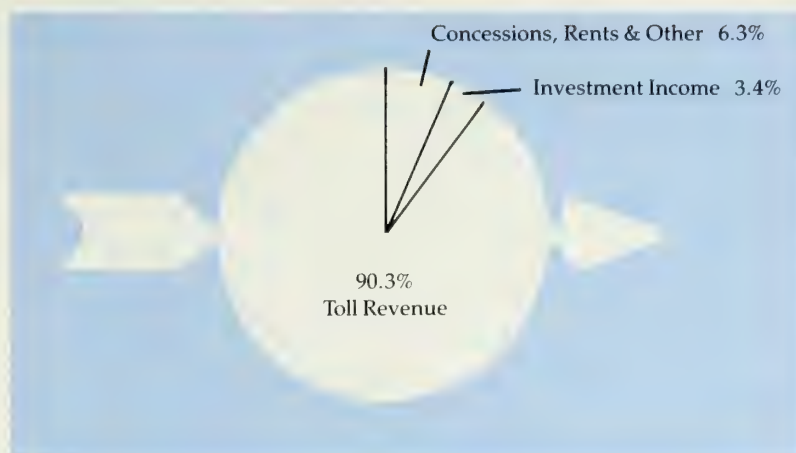
	1987	1986
Balances — beginning of year	\$ 59,853,332	\$ 53,445,412
Excess of Revenues Over Operating Expenses for the Years Ended December 31, 1987 and 1986	65,125,278	62,355,738
Totals	\$124,978,610	\$115,801,150

Disbursements

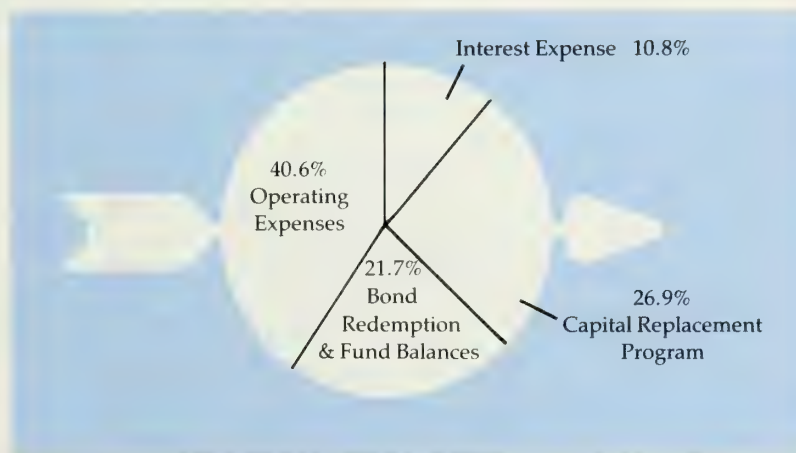
Redemption of Bonds	\$ 21,299,266	\$ 18,652,460
Payment of Bond Interest		
Interest Dates	11,404,508	9,783,086
Retirement Dates	390,176	306,566
Replacement Reserve Expenditures	32,731,441	27,205,706
Total Disbursements	\$ 65,825,391	\$ 55,947,818
Balances — end of year	\$ 59,153,219	\$ 59,853,332

The accompanying notes are an integral part of the combined financial statements

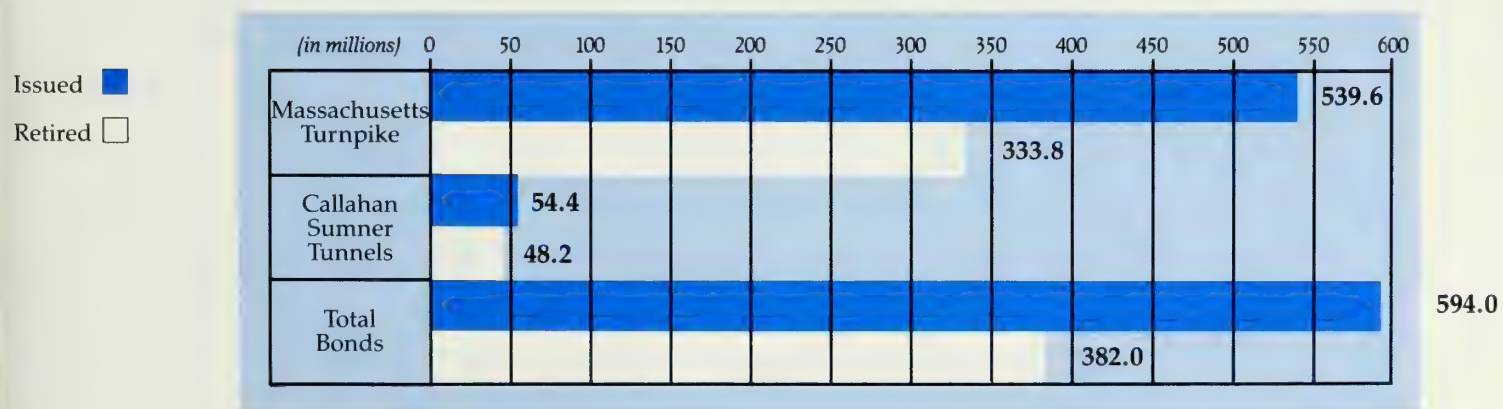
MASSACHUSETTS TURNPIKE AUTHORITY 1987 COMBINED GROSS REVENUES



1987 DISPOSITION OF COMBINED REVENUES (Note 3b)



1987 TOTAL BONDS ISSUED AND RETIRED (Note 3b)



MASSACHUSETTS TURNPIKE AUTHORITY
MASSACHUSETTS TURNPIKE
STATEMENT OF CONDITION
AS OF DECEMBER 31, 1987 and 1986



<i>Assets</i>	1987	1986
Cash (Note 4)		
Operating	\$ 344,436	\$ 677,118
Toll Depository Banks	6,515,106	6,179,328
Bond Interest	5,258,500	5,563,212
Investments (Note 4)	81,970,932	81,817,350
Accrued Interest on Investments	222,646	193,050
Accounts Receivable	2,468,179	2,418,267
Inventories	409,611	429,799
Deposits, Prepaid and Deferred Items	1,096,150	1,392,172
Escrow Funds	56,793	49,793
Investments in Annuity Contract (Note 8)	2,946,638	2,273,544
Due from Other Funds	1,582,290	1,478,542
Cost of Massachusetts Turnpike to Date	500,837,950	500,074,426
<i>Total Assets</i>	<i>\$603,709,231</i>	<i>\$602,546,601</i>

Liabilities and Fund Balances

Accounts Payable	\$ 1,682,300	\$ 1,312,971
Accrued Expenses and Payroll	2,349,731	2,379,447
Withholding from Employees	35,383	39,935
Deposits and Deferred Income	757,304	1,146,047
Bond Interest – Unpaid Coupons	43,568	43,997
Deferred Compensation (Note 8)	2,946,638	2,273,544
Due to Other Funds	1,580,524	1,281,228
Medical Benefits Claims Reserve	104,849	191,255
Retainage	2,903,701	2,175,721
Revenue Bonds Outstanding		
1962 Revenue Series – Due January 1, 2002		
Series A — 4.75%	100,000,000	100,000,000
Series A — 4.15%	38,000,000	38,000,000
1984 Refunding Bonds – Due January 1, 2002		
Series B — 5%	27,763,565	46,123,545
1986 Improvement Series – Due January 1, 2025		
Series A — 6.75%	22,000,000	22,000,000
1986 Improvement Series – Due January 1, 2026		
Series A — 7.125%	18,000,000	18,000,000
Fund Balances		
Revenue Bonds Retired	333,836,435	315,476,455
Fund Balances	51,705,233	52,102,456
<i>Total Fund Balances</i>	<i>\$385,541,668</i>	<i>\$367,578,911</i>
<i>Total Liabilities and Fund Balances</i>	<i>\$603,709,231</i>	<i>\$602,546,601</i>

The accompanying notes are an integral part of the financial statements

MASSACHUSETTS TURNPIKE AUTHORITY
MASSACHUSETTS TURNPIKE
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 1987 and 1986



<i>Revenues</i>	1987	1986
Total Revenue (Net)	\$89,482,687	\$84,833,338
Restaurant Revenue	1,949,564	1,782,807
Service Station Revenue	1,705,757	1,495,220
Rental Income	2,838,203	2,276,481
Miscellaneous	313,722	240,145
Income from Investments		
Redemption Account	181,116	147,581
Revenue Fund	238,580	265,299
Replacement Reserve Fund	1,577,220	1,452,477
Bond Interest Accounts	298,541	310,648
Reserve Account	877,925	924,606
<i>Total Revenues</i>	<i>\$99,463,315</i>	<i>\$93,728,602</i>
<hr/>		
<i>Operating Expenses</i>		
Administrative	\$ 5,337,743	\$ 4,603,575
Retirement	3,352,404	4,022,659
Toll Collection	12,460,487	10,889,942
Police Patrol	3,573,181	3,185,793
Engineering and Maintenance	13,551,440	13,195,670
<i>Total Operating Expenses</i>	<i>\$38,275,255</i>	<i>\$35,897,639</i>
<i>Excess of Revenues Over Operating Expenses</i>	<i>\$61,188,060</i>	<i>\$57,830,963</i>
<i>Interest Requirements</i>	<i>\$ 8,354,803</i>	<i>\$ 9,128,760</i>
<i>Percentage of Interest Earned</i>	<i>732.37</i>	<i>633.50</i>

The accompanying notes are an integral part of the financial statements

MASSACHUSETTS TURNPIKE AUTHORITY
MASSACHUSETTS TURNPIKE
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEARS ENDED DECEMBER 31, 1987 and 1986



	Revenues Retained for General Operating Purposes	SINKING FUND					1987 Totals	1986 Totals
		Bond Interest Accounts		Reserve Account	Redemption Account 1984 Series	Replacement Reserve Fund		
		Series A	Series B					
BALANCES –								
Beginning of Year	\$11,108,360	\$ 4,398,805	\$1,243,906	\$11,783,362	\$4,801,640	\$18,766,383	\$ 52,102,456	\$46,261,664
Excess of Revenue Over Operating Expenses for the Years Ended 1987 & 1986	58,253,258	245,058	53,483	877,925	181,116	1,577,220	61,188,060	57,830,963
Transfers Revenue Fund Reserve Account	(58,144,853)	8,859,808	2,092,134	(1,918,469)	18,692,911 1,918,469	28,500,000		
TOTALS	\$11,216,765	\$13,503,671	\$3,389,523	\$10,742,818	\$25,594,136	\$48,843,603	\$113,290,516	\$104,092,627
DISBURSEMENTS								
Redemption of Bonds	\$	\$	\$	\$	\$19,374,796	\$	\$19,374,796	\$16,151,843
Payment of Bond Interest								
Interest Dates		8,825,437	2,215,150				11,040,587	9,314,000
Retirement Dates			362,167				362,167	270,115
Replacement Reserve Expenditures						30,807,733	30,807,733	26,254,213
TOTAL DISBURSEMENTS	\$	\$8,825,437	\$2,577,317	\$	\$19,374,796	\$30,807,733	\$61,585,283	\$51,990,171
BALANCES –								
End of Year	\$11,216,765	\$ 4,678,234	\$ 812,206	\$10,742,818	\$ 6,219,340	\$18,035,870	\$51,705,233	\$52,102,456

The accompanying notes are an integral part of the financial statements.

MASSACHUSETTS TURNPIKE AUTHORITY
CALLAHAN-SUMNER TUNNELS
STATEMENT OF CONDITION
AS OF DECEMBER 31, 1987 and 1986



<i>Assets</i>	1987	1986
Cash (Note 4)		
Operating	\$ 47,164	\$ 52,791
Toll Depository Banks	784,111	794,309
Investments (Note 4)	7,143,717	7,023,363
Accrued Interest on Investments	49,602	79,774
Accounts Receivable	72,185	64,211
Inventories	1,429	977
Deposits, Prepaid and Deferred Items	316,022	471,565
Due from Other Funds	69,494	10,821
Cost of Tunnels to Date	54,400,000	54,400,000
<i>Total Assets</i>	<i>\$62,883,724</i>	<i>\$62,897,811</i>

Liabilities and Fund Balances

Accounts Payable	\$ 77,920	\$ 38,122
Accrued Expenses and Payroll	609,037	289,923
Deposits and Deferred Income	172,036	144,366
Bond Interest – Unpaid Coupons	18,789	18,789
Due to Other Funds	71,260	208,135
Retainage	86,696	47,600
Revenue Bonds Outstanding		
1959 Revenue Series – Due April 1, 1999		
4.75%	6,218,000	8,147,000
Fund Balances		
Revenue Bonds Retired	48,182,000	46,253,000
Fund Balances	7,447,986	7,750,876
<i>Total Fund Balances</i>	<i>\$55,629,986</i>	<i>\$54,003,876</i>
<i>Total Liabilities and Fund Balances</i>	<i>\$62,883,724</i>	<i>\$62,897,811</i>

The accompanying notes are an integral part of the financial statements

MASSACHUSETTS TURNPIKE AUTHORITY
CALLAHAN-SUMNER TUNNELS
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 1987 and 1986



<i>Revenues</i>	1987	1986
Toll Revenue (Net)	\$ 9,616,582	\$ 9,452,515
Rental Income	76,424	74,468
Miscellaneous	6,001	6
Income from Investments		
Redemption Account	15,925	3,546
Revenue Fund	31,948	30,453
Replacement Reserve Fund	161,889	174,406
Bond Interest Account	10,434	14,583
Reserve Account	313,995	401,551
<i>Total Revenues</i>	<i>\$10,233,198</i>	<i>\$10,151,528</i>
<hr/>		
<i>Operating Expenses</i>		
Administrative	\$ 970,666	\$ 829,790
Retirement	769,902	542,817
Toll Collection	2,088,299	1,829,812
Police Patrol	157,843	189,600
Engineering and Maintenance	2,309,270	2,234,734
<i>Total Operating Expenses</i>	<i>\$ 6,295,980</i>	<i>\$ 5,626,753</i>
<i>Excess of Revenues Over Operating Expenses</i>	<i>\$ 3,937,218</i>	<i>\$ 4,524,775</i>
<i>Interest Requirements</i>	<i>\$ 363,972</i>	<i>\$ 470,151</i>
<i>Percentage of Interest Earned</i>	<i>1,081.73</i>	<i>962.41</i>

The accompanying notes are an integral part of the financial statements.

MASSACHUSETTS TURNPIKE AUTHORITY
CALLAHAN-SUMNER TUNNELS
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEARS ENDED DECEMBER 31, 1987 and 1986



	Revenues Retained For General Operating Purposes	SINKING FUND			Replacement Reserve Fund	1987 Totals	1986 Totals
		Bond Interest Account	Reserve Account	Redemption Account 1959 Series			
BALANCES –							
Beginning of Year	\$ 673,773	\$202,784	\$3,983,643	\$ 919	\$2,889,757	\$7,750,876	\$7,183,748
Excess of Revenue Over Operating Expenses for the Years Ended 1987 & 1986	3,434,975	10,434	313,995	15,925	161,889	3,937,218	4,524,775
Transfers Revenue Fund Reserve Account	(3,326,812)	341,852	(94,019)	1,984,960 94,019	1,000,000		
TOTALS	\$781,936	\$555,070	\$4,203,619	\$2,095,823	\$4,051,646	\$11,688,094	\$11,708,523
DISBURSEMENTS							
Redemption of Bonds	\$	\$	\$	\$1,924,471	\$	\$1,924,471	\$2,500,617
Payment of Bond Interest							
Interest Dates		363,921				363,921	469,086
Retirement Dates		28,009				28,009	36,451
Replacement Reserve Expenditures					1,923,707	1,923,707	951,493
TOTAL DISBURSEMENTS	\$	\$391,930	\$	\$1,924,471	\$1,923,707	\$4,240,108	\$3,957,647
BALANCES – End of Year	\$781,936	\$163,140	\$4,203,619	\$ 171,352	\$2,127,939	\$7,447,986	\$7,750,876

The accompanying notes are an integral part of the financial statements.

MASSACHUSETTS TURNPIKE AUTHORITY
SUMMARY OF REVENUE BONDS ISSUED, RETIRED AND OUTSTANDING
FISCAL YEAR ENDED DECEMBER 31, 1987



	Original Amount Authorized And Issued	Plus Issuance of Series B Refunding Bonds	Total Bonds Issued	Acquired and Cancelled Prior to 1/1/87	Bonds Outstanding 1/1/87	Bonds Retired in 1987	Amount Outstanding 12/31/87
MASSACHUSETTS TURNPIKE							
1954 Revenue Bonds							
Due 01/01/2002							
3.3%	\$239,000,000	\$	\$239,000,000	\$239,000,000	\$	\$	\$
1962 Revenue Bonds							
Due 01/01/2002							
Series A - 4.75%	100,000,000		100,000,000		100,000,000		100,000,000
Series A - 4.15%	38,000,000		38,000,000		38,000,000		38,000,000
Series B - 4%-5%	80,000,000	(80,000,000)					
1968 Revenue Bonds							
Due 05/01/2008							
5.25%	15,000,000		15,000,000	15,000,000			
1984 Refunding Bonds							
Due 01/01/2002							
Series B - 5%		107,600,000	107,600,000	61,476,455	46,123,545	18,359,980	27,763,565
1986 Revenue Bonds							
Improvement Series							
Due 01/01/2025							
Series A - 6.75%	22,000,000		22,000,000		22,000,000		22,000,000
Due 01/01/2026							
Series A - 7.125%	18,000,000		18,000,000		18,000,000		18,000,000
<i>Total Massachusetts Turnpike</i>	\$512,000,000	\$27,600,000	\$539,600,000	\$315,476,455	\$224,123,545	\$18,359,980	\$205,763,565
CALLAHAN-SUMNER TUNNELS							
1959 Revenue Bonds							
Due 04/01/1999							
4.75%	\$ 52,800,000	\$	\$ 52,800,000	\$ 44,653,000	\$ 8,147,000	\$ 1,929,000	\$ 6,218,000
4.25%	1,600,000		1,600,000	1,600,000			
<i>Total Callahan-Sumner Tunnels</i>	\$ 54,400,000		\$ 54,400,000	\$ 46,253,000	\$ 8,147,000	\$ 1,929,000	\$ 6,218,000
Total Authority	\$566,400,000	\$27,600,000	\$594,000,000	\$361,729,455	\$232,270,545	\$20,288,980	\$211,981,565

The accompanying notes are an integral part of the combined financial statements

MASSACHUSETTS TURNPIKE AUTHORITY
COMBINED REVENUES, OPERATING EXPENSES
AND BOND INTEREST REQUIREMENTS
FOR THE YEARS ENDED DECEMBER 31, 1987 and 1986



Revenues, Operating Expenses and Net Revenues

	Gross Revenues		Operating Expenses		Net Revenues	
	1987	1986	1987	1986	1987	1986
Massachusetts Turnpike	\$ 99,463,315	\$ 93,728,602	\$38,275,255	\$35,897,639	\$61,188,060	\$57,830,963
Callahan-Sumner Tunnels	10,233,198	10,151,528	6,295,980	5,626,753	3,937,218	4,524,775
Totals	\$109,696,513	\$103,880,130	\$44,571,235	\$41,524,392	\$65,125,278	\$62,355,738

Bond Interest Requirements

	Net Revenues		Interest Requirements		Percentage of Interest Earned	
	1987	1986	1987	1986	1987	1986
Massachusetts Turnpike	\$61,188,060	\$ 57,830,963	\$8,354,803	\$9,128,760	732.37	633.50
Callahan-Sumner Tunnels	3,937,218	4,524,775	363,972	470,151	1,081.73	962.41
Totals	\$65,125,278	\$ 62,355,738	\$8,718,775	\$ 9,598,911	746.95	649.61

The accompanying notes are an integral part of the combined financial statements

NOTES TO FINANCIAL STATEMENTS

1 — General

In fiscal years 1987 and 1986, the Authority operated two separate and financially distinct facilities: the Massachusetts Turnpike and the Callahan-Sumner Tunnels. These facilities were financed by means of revenue bond issues totalling \$594,000,000 (Massachusetts Turnpike \$539,600,000 and Callahan-Sumner Tunnels \$54,400,000). Neither the faith and credit nor the taxing power of the Commonwealth of Massachusetts or of any political subdivision thereof is pledged to the payment of the principal or interest on the bonds. The funds providing for the maintenance, operations and policing of these facilities, as well as principal and interest payments on bond issues, are derived from tolls and other revenues.

2 — The Enabling Act

By Chapter 354 of the Acts of 1952 of the Commonwealth of Massachusetts, the Massachusetts Turnpike Authority was duly created a body politic and corporate and public instrumentality of the Commonwealth of Massachusetts and was authorized and empowered to construct, maintain, repair and operate a toll express highway, known as the Massachusetts Turnpike. Chapter 598 of the Acts of 1958 authorized and empowered the Massachusetts Turnpike Authority to acquire from the City of Boston the Sumner Tunnel and to construct and operate an additional vehicular tunnel between Boston proper and East Boston (known as the Callahan Tunnel).

3 — Summary of Significant Accounting Policies

a) General Accounting Practices

All accounts and records of the Authority are maintained in accordance with accounting practices consistent with the provisions of the following trust agreements: The Supplemental Trust Agreement dated as of January 1, 1962, relating to the Massachusetts Turnpike and Trust Agreement dated as of April 1, 1959, relating to the Callahan-Sumner Tunnels. As a result of the terms of the bond resolutions and the related interpretation thereof, the Authority's accounting practices differ in certain respects from generally accepted accounting principles, but are in accordance with accounting practices followed by similar entities.

b) Combined Financial Statements

In addition to the financial statements presented for each of the two financially distinct facilities, the Authority, as a matter of policy and public information, also presents in its Annual Report, financial statements reflecting the combined financial condition of the Massachusetts Turnpike and the Callahan-Sumner Tunnels.

c) The Fiscal Year

The Authority's fiscal year is the calendar year.

d) Method of Accounting

The funds and accounts of the Authority are maintained on the modified accrual basis. Revenues are recognized in the accounting period in which they become available and measurable. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for unmatured bond interest in the Sinking Fund Bond Interest Accounts which are recognized when due.

e) Depreciation

In accordance with the provisions of the respective Trust Agreements, depreciation of the Turnpike, Tunnels and related facilities is not included as an operating expense or otherwise provided. The cost of extraordinary maintenance, repairs and equipment replacements deemed necessary to maintain such facilities is charged to the Replacement Reserve Funds.

f) Inventories

Inventories consist primarily of sodium chloride, calcium chloride, sand, bulk gasoline and highway guardrail. Inventories are valued at cost utilizing the FIFO method.

g) Investments

Investments are recorded at amortized cost with the exception of Series A Construction Fund carried at cost as of December 31, 1986 only. Recorded amounts approximate market values.

h) Cost of Projects

The cost of Authority projects includes all costs for acquisition and construction, legal expenses and fees, financing charges, preparation and issuance of bonds, and other items of expense defined and authorized in the Trust Agreements.

NOTES TO FINANCIAL STATEMENTS (CONT.)

i) Revenues

All revenues received by the Authority are deposited with the Bank of Boston (The First National Bank of Boston) Trustee or other authorized bank depositories, and are held in trust and applied in accordance with the provisions of the respective Trust Agreements. All revenues deposited with the Trustee, or any other depository, are continuously secured for the benefit of the Authority and bondholders by marketable securities eligible as security for the deposit of trust funds and are approved and held by the Bank of Boston, Trustee. On or before the fifteenth day of each month, all monies held for the credit of the revenue funds on the last day of the preceding month, less an amount held in reserve for current expenses, are transferred by the Trustee and credited to the following accounts or funds:

- 1) To the Sinking Fund Bond Interest Accounts, such amounts, if any, as may be required to make the balances therein equal to the amount of interest which will become payable within the next ensuing six months on all bonds outstanding;
- 2) To the Replacement Reserve Funds, such amounts, if any, as may be required to make the amounts deposited in each fiscal year equal to the amounts recommended by the Consulting Engineers;
- 3) To the Sinking Fund Reserve Accounts, such amounts, if any, as may be required to make the amount equal to the interest reserve requirements specified in the Trust Agreements;
- 4) To the Redemption Accounts the balance, if any, remaining after deposits made under clauses 1, 2 and 3 above.

j) Operating Expenses

The term "current expenses" (operating expenses) as defined in the Trust Agreements excludes any extraordinary maintenance or repair, allowance for depreciation, or debt service. The Trust Agreements provide that the Authority will on or before the first day of each fiscal year adopt annual budgets. The annual budgets of operating expenses for fiscal years 1987 and 1986 for the two facilities totalled \$44,587,000 and \$41,646,000 as compared to actual expenditures of \$44,571,235 and \$41,524,392.

k) Replacement Reserve Funds

These funds are held for the purpose of providing for the costs of resurfacing, replacement or reconstruction, unusual or extraordinary maintenance or repairs, renewals and replacements, the cost of replacing equipment, engineering expenses and premiums on insurance carried under the provisions of the Trust Agreements. The Consulting Engineers are required annually to inspect the Authority's facilities and report to the Authority their findings and recommendations as to: (a) estimate of the amount necessary for proper maintenance, repair and operation during the ensuing fiscal year, (b) insurance to be carried under the provisions of the Trust Agreements and (c) amounts to be deposited during the ensuing fiscal year to the credit of the replacement reserve funds. For fiscal years 1987 and 1986, the Consulting Engineers recommended the following amounts be deposited to the two funds, and such amounts were so deposited: Massachusetts Turnpike \$28,500,000 and \$28,400,000 and the Callahan-Sumner Tunnels \$1,000,000 and \$1,500,000, respectively.

The estimated value of contracts outstanding for major repairs, renewals, and replacement programs for the Massachusetts Turnpike and Callahan-Sumner Tunnels was \$12,770,000 and \$20,000 as of December 31, 1987 and \$5,145,000 and \$745,000 as of December 31, 1986, respectively.

NOTES TO FINANCIAL STATEMENTS (CONT.)

4 — Cash and Investments — By Fund

The following summarizes the cash and investments as of December 31, 1987 and 1986 by various funds and accounts established under the respective Trust Agreements:

<i>Cash and Investments</i>	1987	1986
<i>Massachusetts Turnpike</i>		
Revenue Fund	\$ 10,503,199	\$ 9,949,012
Sinking Fund		
Bond Interest Accounts	5,490,440	5,911,774
General Reserve Account	10,624,245	11,643,421
Redemption Account	5,600,406	4,800,280
Replacement Reserve Fund	23,363,749	22,223,574
1986 Series A Construction Fund	38,506,935	39,708,947
<i>Totals — Turnpike</i>	<i>\$ 94,088,974</i>	<i>\$ 94,237,008</i>
<i>Callahan-Sumner Tunnels</i>		
Revenue Fund	\$ 1,235,370	\$ 1,024,042
Sinking Fund		
Bond Interest Accounts	163,140	202,784
General Reserve Account	4,154,091	3,903,869
Redemption Account	171,352	919
Replacement Reserve Fund	2,251,039	2,738,849
<i>Totals — Tunnels</i>	<i>\$ 7,974,992</i>	<i>\$ 7,870,463</i>
<i>Combined Totals</i>	<i>\$102,063,966</i>	<i>\$102,107,471</i>

The following summarizes the Authority's cash and investments held as of December 31, 1987 and 1986:

	1987		1986	
	Massachusetts Turnpike	Callahan- Sumner Tunnels	Massachusetts Turnpike	Callahan- Sumner Tunnels
Cash — operating, toll depository and bond interest accounts	\$12,118,042	\$ 831,275	\$12,419,658	\$ 847,100
Investments				
U.S. Treasury Bills and Notes	79,443,738	6,698,717	79,718,342	6,838,363
Repurchase Agreements	2,195,000	445,000	1,785,000	185,000
Money Market Accounts	332,194		314,008	
<i>Carrying amount December 31</i>	<i>\$94,088,974</i>	<i>\$7,974,992</i>	<i>\$94,237,008</i>	<i>\$7,870,463</i>
Market Value Reserves December 31	\$94,269,542	\$8,020,835	\$94,554,511	\$7,976,848

In accordance with Section 601 of the respective Trust Agreements, all the Authority's cash and investments are insured, registered and/or collateralized with securities held on behalf of the Massachusetts Turnpike Authority by the Authority's Trustee, The Bank of Boston (First National Bank of Boston).

NOTES TO FINANCIAL STATEMENTS (CONT.)

5 — Net Revenues and Sinking Fund Requirements

In fiscal years 1987 and 1986, the Authority's entities met the net revenue and sinking fund requirements referred to in Section 501 of the respective Trust Agreements.

6 — Pension Costs

By the enactment of Chapter 597 of the Acts of 1967, and acceptance thereof by the Authority, the Massachusetts Turnpike Authority Employees' Retirement System was created. Accordingly, effective July 1, 1968, employees of the Authority are entitled to retirement benefits in accordance with the provisions of the Massachusetts Contributory Retirement Law (Chapter 32 of the General Laws, Sections 1-28). Pursuant to Section 22 (7)(e) as amended, the Authority is required to pay annually to the Massachusetts Turnpike Authority Employees' Retirement System, amounts determined by the Division of Public Employees' Retirement Administration (PERA) as necessary for payment of pension benefits to retired employees as the Authority and their beneficiaries and for expenses of said system.

As of January 1, 1987, the Authority's actuarial consultant estimated the unfunded frozen actuarial liability for the Authority to be \$25,200,000. By the enactment of Chapter 566 of the Acts of 1978, amending Chapter 32 of the General Laws, provision was made for funding the Massachusetts Turnpike Authority Employees' Retirement System. Under this Amendment, the Authority is required to fund the sum of (a) the normal pension cost for the current year, and (b) an amount sufficient to amortize unfunded past service liability prior to dissolution of the Authority.

During fiscal years 1987 and 1986, \$2,591,580 and \$2,853,768 were expensed to the Retirement system for the Pension and Expense Funds, and \$1,191,823 and \$1,455,932 to the Pension Reserve Fund for past service liability, respectively.

7 — Retirees Group Medical Benefits

The Authority provides certain health care benefits for retired employees. The cost of retiree health care benefits is recognized as expense when paid. As of December 31, 1987, the Authority's actuarial consultant estimated the present value of the total cost of the unfunded retiree health benefit program to be approximately \$26,800,000.

8 — Deferred Compensation Plan

In 1981, the Authority adopted the Massachusetts Turnpike Authority Deferred Compensation Plan (Plan), whereby an employee who elects to participate may defer the receipt of a specified amount of compensation. Such deferred compensation is payable to the participant on retirement, death, disability or financial hardship. In 1981, the Authority entered into an agreement with Aetna Life Insurance and Annuity Company to perform for the Authority certain functions in the implementation and continuing operation of the Plan.

For accounting purposes, the assets and liabilities of the Plan are recorded at market value. As of December 31, 1987 and 1986, the value of the Plan was \$2,946,638 and \$2,273,544, respectively.

9 — Lease and Installment Purchase Commitments

The Authority has entered into the following lease and installment purchase agreements which were in full force and effect as of December 31, 1987 and 1986 (with the exception of (d) and (e) for 1986).

a) Lease of Administrative Offices in the City of Boston for the four year period terminating June 13, 1988.

b) Lease agreement providing for rental of automatic toll collection equipment located at the Massachusetts Turnpike and the Callahan-Sumner Tunnels. The original lease agreements have been extended for a period terminating February 28, 1990 for the Massachusetts Turnpike, and May 21, 1989 for the Callahan-Sumner Tunnels.

NOTES TO FINANCIAL STATEMENTS (CONT.)

c) Computerized Toll Collection System Lease Purchase agreement, commencing November 13, 1986, to finance the acquisition of a computerized toll collection system. Monthly installments of \$173,367 payable over 60 months ending November 1991.

d) The Authority entered into a Lease Purchase agreement, commencing August 28, 1987, to acquire a Computer System and peripheral equipment. Monthly installments are payable over 24 months ending August 1, 1989.

e) Lease Purchase agreement financing heavy motor equipment requirements for the term of five years commencing January 1, 1988, with monthly payments of \$78,000.

Summary of minimum lease purchase commitments (items 9.(a)-(e)) to be paid over the next five years are as follows:

Year Ending December 31	Total
1988	\$3,727,526
1989	3,677,905
1990	3,382,443
1991	3,165,090
1992	1,248,360

Office lease (item (a)) has been included at current payment levels for the five year period.

10 — Turnpike Improvement Revenue Bonds, 1986 Series A

In 1986, \$40,000,000 of term bonds were issued to finance a portion of the cost of improvements to the Massachusetts Turnpike under the Supplemental Trust Agreement dated as of January 1, 1962, between the Authority and the Trustee, and the series resolution adopted by the Authority on July 16, 1986. The bonds constitute a special obligation of the Massachusetts Turnpike and will be payable solely from net revenues of the Massachusetts Turnpike. The term bonds consist of \$22,000,000 — 6³/₄% due January 1, 2025, and \$18,000,000 — 7¹/₈% due January 1, 2026, with interest payable semiannually commencing January 1, 1987.

11 — Contingent Liabilities

The Authority is contingently liable under pending litigation and/or claims in which the Authority is the defendant. In the opinion of the Authority, the total potential liability of such actions would not materially affect its financial statements.

MASSACHUSETTS TURNPIKE AUTHORITY
MASSACHUSETTS TURNPIKE
FINANCIAL RESULTS OF OPERATION 1981-1987



Schedule 1

	1981	1982	1983	1984	1985	1986	1987
<i>(Dollars in Thousands)</i>							
Gross Toll Revenue	\$ 62,707	\$ 65,552	\$ 70,247	\$ 75,946	\$ 80,446	\$ 85,433	\$90,106
Less Volume Discounts	(488)	(467)	(490)	(542)	(547)	(600)	(623)
Net Toll Revenue	\$ 62,219	\$ 65,085	\$ 69,757	\$ 75,404	\$ 79,899	\$ 84,833	\$ 89,483
Restaurant Revenue	963	1,018	1,080	1,150	1,475	1,783	1,949
Service Station Revenue	1,347	1,248	1,321	1,369	1,404	1,495	1,706
Miscellaneous	1,607	1,758	1,927	1,977	2,064	2,517	3,152
Income from Investments	4,632	4,274	4,246	4,548	3,476	3,101	3,173
Gross Revenues	\$ 70,768	\$ 73,383	\$ 78,331	\$ 84,448	\$ 88,318	\$ 93,729	\$ 99,463
Operating Expenses	\$ 22,977	\$ 25,835	\$ 27,983	\$ 30,618	\$ 32,262	\$ 35,898	\$ 38,275
Net Revenues	\$ 47,791	\$ 47,548	\$ 50,348	\$ 53,830	\$ 56,056	\$ 57,831	\$ 61,188
Bond Interest Requirements	\$ 12,011	\$ 11,166	\$ 10,413	\$ 10,970	\$ 9,938	\$ 9,129	\$ 8,355
Percent of Interest Earned	397.88	425.83	483.49	490.69	564.08	633.50	732.37
Deposits to Replacement Reserve	\$ 8,500	\$ 11,500	\$ 11,500	\$ 15,500	\$ 27,000	\$ 28,400	\$ 28,500
Revenue Bonds							
Retired During Year	\$ 28,429	\$ 21,682	\$ 30,332	\$ 27,924	\$ 18,033	\$ 15,520	\$ 18,360
Average Price Paid	\$ 94.77	\$ 99.48	\$ 100.86	\$ 100.70	\$ 99.30	\$ 104.07	\$ 105.52
Retired to Date	\$201,986	\$223,668	\$254,000	\$281,924	\$299,956	\$315,476	\$333,836
Percent Retired to Date	42.8	47.4	53.8	56.4	60.0	58.5	61.9
Bonds Outstanding	\$270,014	\$248,332	\$218,000	\$217,676	\$199,644	\$224,124	\$205,764

MASSACHUSETTS TURNPIKE AUTHORITY
CLASS COMPARISON – MASSACHUSETTS TURNPIKE
JANUARY–DECEMBER 1987 VS JANUARY–DECEMBER 1986

Schedule 2

Class Description	Transactions		Increase or (Decrease)	%	Gross Revenue		Increase or (Decrease)	%
	1987	1986			1987	1986		
1. Passenger Vehicle or Light Truck (Taxis, Suburbans, Ambulances, Motorcycles, Hearses)	119,046,124	113,104,417	5,941,707	5.3	\$68,504,944	\$64,874,422	\$3,630,522	5.6
2. Passenger Vehicle or Light Truck with One or Two-Axle Trailers	321,345	311,615	9,730	3.1	431,720	418,349	13,371	3.2
3. Trucks – Five or More Axles	4,163,611	3,963,786	199,825	5.0	13,030,983	12,265,798	765,185	6.2
5. Medium Trucks – Dual Tires with Two Axles	2,543,353	2,384,068	159,285	6.7	2,559,877	2,375,858	184,019	7.7
6. Trucks – Three Axles	587,311	542,895	44,416	8.2	739,332	678,300	61,032	9.0
7. Trucks – Four Axles	984,203	994,166	(9,963)	(1.0)	2,217,321	2,234,107	(16,786)	(0.8)
8. Buses	799,127	768,627	30,500	4.0	811,457	776,316	35,141	4.5
9. Tandem Trailers – Units	227,782	207,101	20,681	10.0	1,810,583	1,809,819	764	.0
10. Non-Revenue	567,088	545,580	21,508	3.9				.0
Totals	129,239,944	122,822,255	6,417,689	5.2	\$90,106,217	\$85,432,969	\$4,673,248	5.5

MASSACHUSETTS TURNPIKE AUTHORITY
CALLAHAN-SUMNER TUNNELS
FINANCIAL RESULTS OF OPERATION 1981-1987



Schedule 3

	1981	1982	1983	1984	1985	1986	1987
<i>(Dollars in Thousands)</i>							
Net Toll Revenue	\$ 8,215	\$ 8,293	\$ 8,566	\$ 8,973	\$ 9,189	\$ 9,453	\$ 9,617
Rental & Miscellaneous Income	81	83	73	69	74	74	82
Income from Investments	650	788	754	727	703	625	534
Gross Revenues	\$ 8,946	\$ 9,164	\$ 9,393	\$ 9,769	\$ 9,966	\$10,152	\$10,233
Operating Expenses	\$ 4,056	\$ 4,585	\$ 4,695	\$ 4,951	\$ 5,127	\$ 5,627	\$ 6,296
Net Revenues	\$ 4,890	\$ 4,579	\$ 4,698	\$ 4,818	\$ 4,839	\$ 4,525	\$ 3,937
Bond Interest Requirements	\$ 1,102	\$ 979	\$ 870	\$ 730	\$ 589	\$ 470	\$ 364
Percent of Interest Earned	443.91	467.86	540.05	660.09	822.18	962.41	1,081.73
Deposits to Replacement Reserve	\$ 500	\$ 2,000	\$ 900	\$ 1,000	\$ 1,340	\$ 1,500	\$ 1,000
Revenue Bonds							
Retired During Year	\$ 3,748	\$ 1,529	\$ 3,095	\$ 2,899	\$ 2,884	\$ 2,538	\$ 1,929
Average Price Paid	\$ 83.99	\$ 88.65	\$ 95.37	\$ 95.83	\$ 97.41	\$ 98.53	\$ 99.77
Retired to Date	\$33,308	\$34,837	\$37,932	\$40,831	\$43,715	\$46,253	\$48,182
Percent Retired to Date	61.2	64.0	70.0	75.1	80.4	85.0	88.6
Bonds Outstanding	\$21,092	\$19,563	\$16,468	\$13,569	\$10,685	\$ 8,147	\$ 6,218

MASSACHUSETTS TURNPIKE AUTHORITY
CLASS COMPARISON - CALLAHAN-SUMNER TUNNELS
JANUARY - DECEMBER 1987 VS JANUARY - DECEMBER 1986

Schedule 4

Class Description	Transactions		Increase or (Decrease)	%	Gross Revenue		Increase or (Decrease)	%
	1987	1986			1987	1986		
1. Passenger Car, Taxi, Light Truck, Ambulance, Motorcycle, Hearse, Car Pools	14,710,941	14,508,543	202,398	1.4	\$8,823,165	\$8,701,174	\$121,991	1.4
2. Passenger Car with Single Axle Trailer, Tow Axle Single Tire Truck with Single-Axle Trailer	4,280	4,515	(235)	(5.2)	3,424	3,612	(188)	(5.2)
4. Trucks - Five or More Axles	22,632	19,903	2,729	13.7	24,895	21,893	3,002	13.7
5. Two Axle Dual-Tire Truck	216,535	210,733	5,802	2.8	173,228	168,587	4,641	2.8
6. Three Axle Truck, Two Axle Dual-Tire Truck with Single Axle Trailer	21,956	20,430	1,526	7.5	19,760	18,387	1,373	7.5
7. Four Axle Truck with or without Trailer, Class 1 Vehicle with Two-Axle Trailer	40,055	35,415	4,640	13.1	40,055	35,415	4,640	13.1
8. Bus	116,083	105,951	10,132	9.6	69,650	63,571	6,079	9.6
9. Commuter	1,181,797	1,127,083	54,714	4.9	472,719	450,833	21,886	4.9
10. Non-Revenue	138,817	138,053	764	0.6				0
Totals	16,453,096	16,170,626	282,470	1.7	\$9,626,896	\$9,463,472	\$163,424	1.7

MASSACHUSETTS TURNPIKE AUTHORITY
MASSACHUSETTS TURNPIKE
COMPARISON OF INTERCHANGE TRANSACTIONS
JANUARY – DECEMBER 1987 VS JANUARY – DECEMBER 1986



Schedule 5

Ticket Controlled Section Interchange	No.	Entrance		Increase or (Decrease)	%	Exit		Increase or (Decrease)	%
		1987	1986			1987	1986		
W. Stockbridge	1.	2,777,892	2,591,392	186,500	7.2	2,744,761	2,564,103	180,658	7.0
Lee	2.	1,410,393	1,334,809	75,584	5.7	1,452,847	1,376,323	76,524	5.6
Westfield	3.	2,022,041	1,845,443	176,598	9.6	2,065,778	1,883,068	182,710	9.7
W. Springfield	4.	3,505,778	3,238,378	267,400	8.3	3,584,795	3,311,562	273,233	8.3
Chicopee	5.	1,698,375	1,597,398	100,977	6.3	1,591,136	1,499,044	92,092	6.1
Springfield	6.	2,937,204	2,718,192	219,012	8.1	3,000,496	2,780,400	220,096	7.9
Ludlow	7.	1,592,249	1,446,676	145,573	10.1	1,523,925	1,379,472	144,453	10.5
Palmer	8.	2,001,749	1,836,202	165,547	9.0	1,974,080	1,811,859	162,221	9.0
Sturbridge	9.	6,526,044	6,139,472	386,572	6.3	6,559,251	6,158,882	400,369	6.5
Auburn	10.	5,756,708	5,266,916	489,792	9.3	5,667,542	5,173,300	494,242	9.6
Millbury	11.	1,768,505	1,566,184	202,321	12.9	1,884,956	1,681,179	203,777	12.1
Westborough	11.A	6,398,155	5,715,719	682,436	11.9	6,138,879	5,469,298	669,581	12.2
Framingham	12.	3,687,957	3,516,605	171,352	4.9	3,989,200	3,794,234	194,966	5.1
Natick	13.	6,613,235	6,312,015	301,220	4.8	6,742,485	6,441,998	300,487	4.7
Weston	14.	8,332,142	7,858,600	473,542	6.0	7,915,634	7,458,288	457,346	6.1
Newton	15.	8,432,828	8,052,462	380,366	4.7	8,625,490	8,253,453	372,037	4.5
Total Ticket Controlled Section									
		65,461,255	61,036,463	4,424,792	7.2	65,461,255	61,036,463	4,424,792	7.2
Barrier Controlled Section									
Newton – 128	15.					14,265,109	14,003,468	261,641	1.9
West Newton	16.					3,784,698	3,581,865	202,833	5.7
Allston									
Off East – On West	18.					10,947,224	10,418,301	528,923	5.1
Thru Traffic	19.					25,237,369	24,599,120	638,249	2.6
Off West – On East	20.					9,544,289	9,183,038	361,251	3.9
Total Barrier Controlled Section									
						63,778,689	61,785,792	1,992,897	3.2
Totals Massachusetts Turnpike									
						129,239,944	122,822,255	6,417,689	5.2

MASSACHUSETTS TURNPIKE AUTHORITY
MASSACHUSETTS TURNPIKE
COMPARISON OF INTERCHANGE REVENUE
JANUARY-DECEMBER 1987 VS JANUARY-DECEMBER 1986

Schedule 6



Ticket Controlled Section Interchange	No.	Gross Revenue		Increase or (Decrease)	%
		1987	1986		
W. Stockbridge	1.	\$ 8,296,818	\$ 7,813,607	\$ 483,211	6.2
Lee	2.	2,179,158	2,101,344	77,814	3.7
Westfield	3.	1,282,783	1,180,788	101,995	8.6
W. Springfield	4.	3,613,032	3,357,970	255,062	7.6
Chicopee	5.	959,926	912,959	46,967	5.1
Springfield	6.	3,605,089	3,429,532	175,557	5.1
Ludlow	7.	1,003,986	948,217	55,769	5.9
Palmer	8.	1,475,914	1,360,674	115,240	8.5
Sturbridge	9.	7,662,397	7,310,244	352,153	4.8
Auburn	10.	6,521,931	5,979,932	541,999	9.1
Millbury	11.	1,719,822	1,608,203	111,619	6.9
Westborough	11.A	6,316,269	5,693,783	622,486	10.9
Framingham	12.	2,209,464	2,132,600	76,864	3.6
Natick	13.	3,171,323	3,041,745	129,578	4.3
Weston	14.	8,034,122	7,635,239	398,883	5.2
Newton	15.	9,392,083	8,933,205	458,878	5.1
Total Ticket Controlled Section					
		\$67,444,117	\$63,440,042	\$4,004,075	6.3
Barrier Controlled Section					
Newton - 128	15.	\$ 5,062,411	\$ 4,973,239	\$ 89,172	1.8
West Newton Allston	16.	753,565	713,093	40,472	5.7
Off East - On West	18.	2,834,952	2,711,841	123,111	4.5
Thru Traffic	19.	10,516,684	10,235,137	281,547	2.8
Off West - On East	20.	3,450,553	3,317,416	133,137	4.0
Total Barrier Controlled Section					
		\$22,618,165	\$21,950,726	\$ 667,439	3.0
Car Pool Program		\$ 43,935	\$ 42,201	\$ 1,734	4.1
Totals Massachusetts Turnpike					
		\$90,106,217	\$85,432,969	\$4,673,248	5.5

MASSACHUSETTS TURNPIKE AUTHORITY
EMPLOYEES' RETIREMENT SYSTEM

128 NORTH STREET
BOSTON, MASSACHUSETTS 02109

TEL. 973-8059

STANLEY J. BRITTON
EX-OFFICIO-CHAIRMAN

J. JOSEPH MALONEY
APPOINTED MEMBER

FRANCIS M. HOEY
ELECTED MEMBER

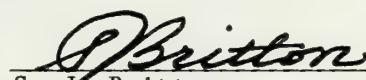
GERALD F. COUGHLIN
SECRETARY




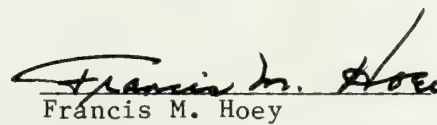
Allan R. McKinnon, Chairman
Massachusetts Turnpike Authority
State Transportation Building
10 Park Plaza, Suite 5170
Boston, Massachusetts 02116

Dear Mr. Chairman:

In accordance with the provisions of section 20, subsection 5, paragraph (i) of Chapter 32 of the General Laws, we are pleased to submit herewith, for publication in the Massachusetts Turnpike Authority Annual Report to the Governor and General Court, a copy of the report of the financial condition of the Massachusetts Turnpike Authority Employees' Retirement System as of December 31, 1987.


S. J. Britton
Ex-officio - Chairman


J. Joseph Maloney
Appointed Member


Francis M. Hoey
Elected Member

MASSACHUSETTS TURNPIKE AUTHORITY
EMPLOYEES' RETIREMENT SYSTEM
STATEMENT OF CONDITION
AS OF DECEMBER 31, 1987



<i>Assets</i>	1987	1986
(unaudited)*		
Cash	\$ 189,013	\$ 1,625
Investments:		
Government bonds	3,365,307	6,154,875
Railroad equipment trust certificates	2,199,709	2,299,804
Public Utility bonds	7,441,560	3,843,828
Bank & industrial notes & bonds	6,940,114	3,768,474
Telephone bonds	8,883,445	7,625,173
Mortgage loan pass-through certificates	14,134	26,020
Bank & insurance stocks	4,505,988	4,123,875
Short-term investments	5,666,578	7,089,811
Guaranteed interest contracts	3,250,000	2,750,000
Accrued interest on investments	946,524	654,472
Accounts Receivable:		
Employees contributions	29,224	26,519
Sale of investments	479,888	
Workers' compensation credits		5,203
Principal adjustment account	260,802	155,599
<i>Total Assets</i>	<i>\$44,172,287</i>	<i>\$38,525,278</i>

Funds and Liabilities

Annuity Savings Fund	\$11,836,127	\$10,491,484
Annuity Reserve Fund	2,617,615	2,322,450
Pension Fund	70,287	284,537
Expense Fund	95,580	115,165
Pension Reserve Fund	29,552,678	25,311,642
<i>Total Funds and Liabilities</i>	<i>\$44,172,287</i>	<i>\$38,525,278</i>

*(See notes to financial statements)

MASSACHUSETTS TURNPIKE AUTHORITY
EMPLOYEES' RETIREMENT SYSTEM
STATEMENT OF CASH
AS OF DECEMBER 31, 1987



Assets		1987	1986
(unaudited)*	Cash, January 1	\$ 1,625	\$ 2,131
	Short-term investments, available cash	7,089,811	6,984,912
	<i>Total cash available</i>	<i>\$ 7,091,436</i>	<i>\$ 6,987,043</i>
Receipts			
	Members' contributions	\$ 1,490,231	\$ 1,366,901
	Transfers of members' accounts from other systems	122,050	40,308
	Pension reimbursements from other systems	85,068	79,619
	Massachusetts Turnpike Authority:		
	Pension Fund appropriation	2,475,177	2,719,868
	Expense Fund appropriation	111,200	133,100
	Pension Reserve Fund appropriation	951,823	1,424,232
	Workers' Compensation credits	5,203	7,500
	Redeposits	213	1,029
	Sale or maturity of investments	10,507,213	5,215,600
	Net gain or (loss) on sale of investments	13,687	647,565
	Return of principal on mortgage loan pass-through certificates	11,852	60,194
	Investment income	3,722,970	3,277,307
	<i>Total Receipts</i>	<i>\$19,496,687</i>	<i>\$14,973,225</i>
Disbursements			
	Regular annuity payments	\$ 251,989	\$ 226,968
	Option (b) annuity payments to beneficiaries	53,310	23,608
	Pension payments	2,540,044	2,362,586
	Pension reimbursements to other systems	24,596	13,958
	Refunds to members inactive	256,682	170,464
	Transfers of member accounts to other systems	40,946	22,247
	Administrative expenses	130,635	111,375
	Investments	17,145,419	11,909,678
	Accrued interest purchased	288,911	27,947
	<i>Total Disbursements</i>	<i>\$20,732,532</i>	<i>\$14,868,831</i>
	<i>Balance, December 31</i>	<i>\$ 5,855,591</i>	<i>\$ 7,091,436</i>
	Cash, December 31	\$ 189,013	\$ 1,625
	Short-term investments, available cash	5,666,578	7,089,811
	<i>Balance, December 31</i>	<i>\$ 5,855,591</i>	<i>\$ 7,091,436</i>

* (See notes to financial statements)

EMPLOYEES' RETIREMENT SYSTEM

The Massachusetts Turnpike Authority Employees' Retirement System (the System) was established as a contributory retirement system subject to the provisions of Massachusetts General Laws, Chapter 32, sections 1-28, by the enactment of Chapter 597 of the Acts of 1967 and its acceptance by the Massachusetts Turnpike Authority. The operative date was July 1, 1968.

Membership in the System consists of retirees, and eligible active and former employees of both the Massachusetts Turnpike and the Callahan-Sumner Tunnels. The Massachusetts Turnpike and the Callahan-Sumner Tunnels are two separate and financially distinct toll facilities. Accordingly, all assets and liabilities of the System are separately identified and accounted for within the records of the System.

The System is managed by a board of three members: S. J. Britton, secretary-treasurer of the Authority, member ex-officio and chairman; Attorney J. Joseph Maloney, appointed member, who was first appointed by the Massachusetts Turnpike Authority on May 9, 1968 to take effect on July 1, 1968 and who has served consecutively since that date; and Francis M. Hoey, elected member, who is serving his seventh consecutive term following re-election by the membership in 1985.

Provision was made for funding of past service liability of the System by the enactment of Chapter 566 of the Acts of 1978. Under this amendment, the Massachusetts Turnpike Authority is required to fund and pay to the System the sum of (a) the normal pension cost for the current year, and (b) an amount sufficient to amortize unfunded past service liability prior to dissolution of the Authority. All such required payments to date have been transferred by the Massachusetts Turnpike Authority and credited to the System.

The enactment in December, 1983 of Chapter 661 of the Acts of 1983 significantly amended the provisions of Chapter 32, sections 1-28, relative to the administration, funding and investment policies of the public employee retirement systems in the Commonwealth of Massachusetts. Chapter 661 of the Acts of 1983 also requires each retirement system to establish a pension reserve fund for the purpose of meeting unfunded pension liabilities and, by various changes in existing law, made provision for certain internal transfers to the fund in addition to any direct appropriations by applicable legislative body. In accordance with this statutory requirement, the Board dissolved the Past Service Liability Fund, which was established on the Books of the System on October 19, 1978, and transferred fund assets to the System's newly-established Pension Reserve Fund.

ACCOUNTING POLICIES

The accounting policies of the System follow the principles and practices for public employee contributory retirement systems promulgated by the Commonwealth of Massachusetts, Division of Public Employee Retirement Administration, pursuant to Chapter 32, section 21 of the Massachusetts General Laws, as amended.

Prior to January 1, 1983, records of the System had been audited periodically by the Commonwealth of Massachusetts, Division of Insurance. Pursuant to Chapter 630 of the Acts of 1982, supervision of the public employee retirement systems in the Commonwealth subject to Chapter 32, including the conduct of audits, was transferred from the Division of Insurance to the Division of Public Employee Retirement Administration (PERA). The last such audit of the records of the System for the year 1983 was conducted by PERA in October, 1984.

INVESTMENTS

Assets of the System are invested pursuant to the provisions and limitations of Chapter 32, section 23. Investment earnings for the year 1987 totalled \$4,059,874 representing a rate of return of 9.81% of the mean ledger assets of the System. Of this amount, \$2,780,416 was attributable to investments of the Pension Reserve Fund (formerly the Past Service Liability Fund), and such amount was credited to that fund on December 31, 1987. The balance of \$1,279,458 investment earnings was applied to the funds of the System in accordance with the statute as follows:

Annuity Savings Fund	\$ 556,659
Annuity Reserve Fund	73,510
Pension Reserve Fund — excess earnings	649,289
Total	\$1,279,458

Prior to the enactment of Chapter 661 of the Acts of 1983, excess earnings were credited annually to the Pension Fund. In the years 1984 through 1986, excess earnings totalling \$2,456,060 were transferred to the Pension Reserve Fund. In 1987, excess earnings in the amount of \$649,289 were transferred to the Pension Reserve Fund. Additionally, in 1985 the Board transferred a surplus in the Pension Fund of \$4,500,000 to the Pension Reserve Fund in the form of cash and securities, making a total amount of \$7,605,349 transferred to the Pension Reserve Fund as of December 31, 1987.

In 1982, the Board voted to participate to the extent of \$500,000 with other public retirement systems in Massachusetts in a mortgage loan pass-through certificate program, yielding 15.25% to the system. The program made funds available to Massachusetts residents for home mortgages at a fixed rate through participating local banks throughout the Commonwealth.

BENEFITS

During 1987, 24 employees and 2 vested members inactive were retired by the Board, bringing to 596 the number of members who have been retired since the inception of the System in 1968. Retirement allowances totalling \$2,845,343 were paid in 1987 to retirees and

beneficiaries of deceased members of the System. Of this amount, \$305,299 were annuity payments (employee contributions and investment earnings thereon), and \$2,540,044 were pension payments (contributions by the Massachusetts Turnpike Authority).

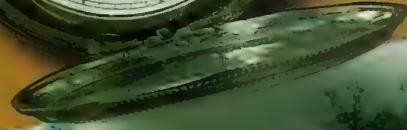
Retirement Category	1987 Benefit Payments			Percent of Payments
	Annuity	Pension	Allowance	
Superannuation/Termination	\$199,125	\$1,680,837	\$1,879,962	66%
Ordinary disability	15,372	258,228	273,600	10%
Accidental disability	12,656	211,043	223,700	8%
Survivors/beneficiaries	24,835	389,936	414,771	14%
Option (b) final payments	53,310		53,310	2%
Total payments	\$305,299	\$2,540,044	\$2,845,343	100%

Pursuant to Chapter 840, section 15.01, Commonwealth of Massachusetts Regulations, an affidavit was obtained from each retiree and beneficiary receiving a retirement or survivorship allowance from the System in 1987.

Pension reimbursements in the amount of \$85,068 were received from other systems and pension reimbursements of \$24,596 were paid to other systems in 1987 for pension payments made in 1986. As of December 31, 1987, there were 376 retired members and 102 survivors and beneficiaries receiving benefits.



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ANNUAL REPORT 1988



MASSACHUSETTS
TURNPIKE
AUTHORITY





*"The
Economic
Lifeline
of Massachusetts"*

MICHAEL S. DUKAKIS
Governor

ALLAN R. MCKINNON
Chairman



MASSACHUSETTS
• TURNPIKE •
AUTHORITY

MASSACHUSETTS TURNPIKE AUTHORITY

The Massachusetts Turnpike Authority was created by Chapter 354 of the Acts of 1952 as an autonomous instrumentality of the Commonwealth to discharge the public functions which have, from time to time, been delegated to it by the Legislature. The Authority acts through a board of three members, one of whom is designated as Chairman, who are appointed by the Governor for terms of eight years.

The Authority operates the Massachusetts Turnpike and the Callahan-Sumner Tunnels as two separate and financially distinct facilities. The facilities were financed by means of three revenue bond issues totalling over five hundred million dollars. Neither the faith and credit nor the taxing power of the Commonwealth of Massachusetts or of any political subdivision thereof is pledged to the payment of the principal of or interest of the bonds. The funds providing for the maintenance, operation and policing of these facilities, as well as principal and interest payments on the bond issues, are derived solely from tolls and other revenues generated by users. ■



MASSACHUSETTS
• TURNPIKE •
AUTHORITY

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BOARD MEMBERS



ALLAN R. MCKINNON
Chairman



EDWARD T. HANLEY
Vice-Chairman



ANN M. HERSHFANG
Member



ANNE H. MCHUGH
*Former Member,
Retired June 1988*



**MASSACHUSETTS
• TURNPIKE •
AUTHORITY**

MASSACHUSETTS TURNPIKE AUTHORITY

STATE TRANSPORTATION BUILDING

SUITE 5170 - 10 PARK PLAZA

BOSTON, MASSACHUSETTS 02116

ALLAN R. MCKINNON, CHAIRMAN
EDWARD T. HANLEY, VICE-CHAIRMAN
ANN M. HERSHFANG, MEMBER



973-7300

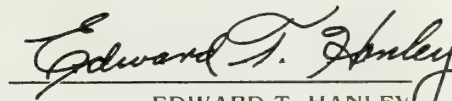
His Excellency Michael S. Dukakis
Governor of the Commonwealth
of Massachusetts and
Members of the Senate and
House of Representatives
State House
Boston, Massachusetts 02133

His Excellency and Honorable Members:

In accordance with this Authority's enabling legislation, section 15, Chapter 354, Acts of 1952, as amended, we are pleased to submit herewith the Thirty-fifth Annual Report of the Massachusetts Turnpike Authority covering the 1988 operation of the Massachusetts Turnpike and the Callahan-Sumner Tunnels.

Further, in accordance with the provisions of Chapter 32, section 20, subsection 5, paragraph (i) of the General Laws, we are also submitting herein the report of the financial condition of the Massachusetts Turnpike Authority Employees' Retirement System as of December 31, 1988.


ALLAN R. MCKINNON
Chairman


EDWARD T. HANLEY
Vice-Chairman


ANN M. HERSHFANG
Member

STAFF MEMBERS



STANLEY J. BRITTON
Secretary-Treasurer



NORMA J. FENOCHIETTI
*Executive Assistant
to the Chairman*



MELVIN C. CRAIN
*Chief Engineer,
Retired July 1988*



FRANCIS M. KEVILLE
*Special Assistant for
Engineering & Construction*



WILLIAM P. DRISCOLL
*Superintendent
of Tunnels*



DAVID R. NAGLE
Director of Real Estate



JOHN W. FRANCIS
Director of Personnel



EDWARD F. SAUNDERS, JR.
Resident Counsel



**MASSACHUSETTS
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JOHN T. DIAS
Maintenance Engineer



JOHN A. VITAGLIANO
Superintendent of
Toll Collection



FELIX H. BLACKBURN
Equal Employment
Opportunity Officer



ROBERT A. MORSE, JR.
Commander, Troop "E"
Mass. State Police



JOHN N. GRIM
Acting Chief Engineer
(Asst. Chief Eng. to July 1988)



MARGARET MACKENZIE
Director of Community and
Legislative Relations



DONNA LEVY
Director of Public Relations
and Marketing



WILLIAM D. CROWTHER
Assistant Superintendent
of Tunnels



PAUL F. BYRON
Assistant Secretary
Assistant Treasurer to June 88



WILLIAM M. COFFILL
Manager of
Data Systems



KENNETH R. LEWIS
Controller



PATRICIA D. BROWN
Special Assistant
to the Chairman



GERALD F. COUGHLIN
Secretary to
Retirement Board



J. BRUCE GRIMALDI
Assistant Maintenance Engineer
(Construction Eng. to Oct. 88)



PHILIP P. DITULLIO
Assistant Secretary
Assistant Treasurer

FINANCIAL HIGHLIGHTS 1988

1988

Gross revenues of the Massachusetts Turnpike increased by 5.1% from \$99,463,315 in 1987 to \$104,583,369 in 1988. Callahan-Sumner Tunnels gross revenue increased by 1.3% from \$10,233,198 in 1987 to \$10,367,353 in 1988. The Authority's combined operating expenses increased by \$6,171,445, or by 13.8% over 1987 expenses. Combined net revenue for 1988 amounted to \$64,208,042, a reduction of \$917,236, or 1.4% less than in 1987.

During 1988, a total of \$17,508,715 principal amount of Massachusetts Turnpike Series B Revenue Refunding Bonds were retired, leaving a principal balance of \$10,254,850 outstanding as of December 31, 1988. The average purchase price of such Series B bonds retired in 1988 was 106.

A total of \$2,219,000 principal amount of Callahan-Sumner 4.75% Series 1959 Tunnel Revenue Bonds were retired in 1988 at an average price of 100.74. The outstanding balance of Callahan-Sumner Tunnel bonds as of December 31, 1988 was \$3,999,000. On January 10, 1989, The First National Bank of Boston, Trustee, certified to the Authority that as of January 3, 1989 sufficient monies were held in trust for payment of principal and interest on all outstanding Callahan-Sumner Tunnel bonds. The Authority instructed the Trustee to call all of said bonds for redemption on March 1, 1989.

Section 16 of the Tunnel Enabling Act, Chapter 598, of the Acts of 1958 provides that once the Callahan-Sumner Tunnel bonds have been paid in full, the Tunnels, if then in good condition and repair to the satisfaction of the Massachusetts Department of Public Works, shall become a part of the state highway system.

The Massachusetts Department of Public Works has notified the Authority in writing that the present condition and repair of the Tunnels is not acceptable to the Department of Public Works and that significant maintenance and repairs must be completed by the Authority before the Department will consider whether to accept the Tunnels as part of the state highway system. The Authority's engineers have conducted a review of the Tunnels and estimate that approximately \$58,400,000 (in 1990 construction dollars) will be required for completion of necessary repairs and improvements to the Tunnels. Of such amount, \$43,000,000 is required for Tunnels projects, approximately \$2,500,000 for equipment, and approximately \$12,900,000 for engineering and contingencies. ■

REPLACEMENT RESERVE PROJECTS

Construction projects for repair and rebuilding on the Massachusetts Turnpike that were awarded in 1988 amounted to \$9,000,000. In addition, \$7.3 million in contracts awarded in 1987 carried forward into 1988.

Bridge Repairs

Three contracts were awarded for replacement of six bridge decks: Gratton Street and Granby Road in Chicopee; the Interchange No. 8 ramp structure in Palmer; and structures over Edgell Road, Sudbury River, Central Street and Concord Street in Framingham. The bridges, except for the ramp structure, were on the eastbound roadway. Ten bridges on the westbound roadway had the decks replaced as part of contracts awarded in 1987.

Repairs were made on the westbound roadway of the structure carrying the Turnpike over Route I-95 in Weston. One lane of westbound traffic was detoured to the eastbound roadway during peak hours to keep interference at a minimum. A contract was awarded for painting the structural steel on the Commonwealth Avenue bridge over the Turnpike in Boston. Painting was also completed on thirteen bridges over the Turnpike in Boston and Newton under a contract which was awarded in 1987.

Other repairs and improvements by contract included rock removal, repair of damage to the Turnpike structure over Worcester Street in Grafton, and replacement of a toll booth damaged in an accident. ■

COMMUNICATIONS

During 1988, the configuration of the proposed new communication system has undergone several changes to conform with the present status of the Authority's fiber optic cable underground conduit system. In order to avoid the costly expense of digging a trench from Chicopee, where the existing fiber optic conduit system terminates, to West Stockbridge for the extension of the fiber optic system, it was decided to complete the statewide communications backbone by transmitting by microwave through the air over this route. This option is particularly attractive to the Authority since the microwave portion of the communications backbone will be provided and maintained by Metro Mobile CTS, Inc., at no expense to the Authority. An agreement was signed in October with Metro Mobile CTS, Inc., which allows Metro Mobile to erect radio towers and buildings for a cellular telephone system on Authority property located in Stockbridge, Lee, Becket and Blandford in return for providing the Authority a microwave communications backbone from Chicopee to Stockbridge and radio towers

and buildings for the Authority's new proposed 800 MHZ mobile radio system.

In November, the Authority obtained a permit from the Massachusetts Department of Public Works to run a fiber optic cable conduit from the Boston end of the Turnpike through the Dewey Square Tunnel and under the elevated Central Artery structure to the Authority's Callahan Tunnel in order to complete the eastern terminus of the fiber optic cable communications backbone.

At year's end, the Authority continued negotiations with various common carriers for completion of the fiber optic cable communications backbone in exchange for leasing rights. The Authority's communication consultant has prepared a draft version of the proposed communication system purchase specification to solicit bids from prospective vendors on a turnkey basis.

The program to replace the existing obsolete police radio system with new programmable and emergency signalling mobile radios continued in 1988 with the procurement of 85 mobile radios, 35 portable radios, 4 repeater stations and 4 dispatcher control consoles. The change-over from the old audible tone radio system to the new continuous sub audio tone radio system required several unique circuit design modifications to the existing repeater stations in order to keep both systems operational during this critical changeover period.

The Authority has obtained a license from the FCC for five conventional 800 MHZ frequencies after a 15-month processing period.

In December, the Authority procured new digital telephone systems for all of the Authority's facilities. The new telephone systems will replace the existing obsolete leased telephone equipment and obsolete intercom systems at toll plazas. Besides providing increased capacity and enhanced technological features, the new telephone system will ultimately connect with the fiber optic and microwave backbone system which will connect all Turnpike facilities. ■

HIGHLIGHTS 1988

Following the 1986 announcement of plans to widen the Turnpike between Interchanges 13 and 15 (Natick and Weston), the Authority launched a series of public information meetings to discuss the program's impact on surrounding communities and to hear public concerns about the project.

TURNPIKE IMPROVEMENT PROGRAM

Following the 1986 announcement of plans to widen the Turnpike between Interchanges 13 and 15 (Natick and Weston), the Authority launched a series of public information meetings to discuss the program's impact on surrounding communities and to hear public concerns about the project. Also, a local Liaison Group (LLG) composed of representatives of the communities in the improvement program area was established and regular meetings were held.

Developed within the context of a community relations program, this effort provided affected communities with information on the Environmental Impact Report (EIR) process and created opportunities for the public to provide input while the studies were underway. Starting in 1987 and continuing through early 1988, the meetings focused on major discussion topics; such as, air quality, noise, lighting, archaeological and historical resources, and traffic impact analysis.

After a six-month review of the draft EIR, the Chairman determined that three options were viable and, prior to making a Board presentation, held a public meeting for elected officials and concerned citizens introducing these options. The three options were:

- Option 1** Original Turnpike Improvement Program
 - mainline widening
 - Southborough/Westborough barrier toll plaza
 - service area 8E expansion
 - Interchanges 12 - 13 ramp widening
- Option 2** Compared to Option 1:
 - Projects that remain
 - barrier toll plaza and related work at Interchanges 12, 13, 14, and 15
 - service area 8E expansion
 - Projects that are tabled
 - Interchange 13 ramp widening (except widening of 2 bridges)
 - mainline widening
 - Interchange 14 ramp widening
 - Projects that are added
 - Interchange 11A - additional toll facilities
- Option 3** Compared to Option 1:
 - Projects that remain
 - service area 8E expansion
 - Interchange 14 - ramp widening
 - Projects that are tabled
 - barrier toll plaza and related work at Interchanges 12, 13, 14, and 15
 - Interchange 13 ramp widening (except widening of 2 bridges)
 - mainline widening

Projects that are added

- Interchanges 11A, 12, 13, 14 and 15 additional toll facilities

The Chairman announced he would recommend Option 3 for Board approval but stressed that none of the three should be considered long-term solutions to effective traffic management.

Additionally, the Authority's position holds that only a cooperative effort involving citizens, elected officials, and road management strategies will yield effective solutions. Strategies currently used by the Turnpike include the Car Pool Pass Program, reduced rates for buses carrying passengers to Boston, and participation with the Logan Express Program. Initiatives being considered for the future include Automatic Vehicle Identification (AVI), High Occupancy Vehicle (HOV) lanes, an expanded charge card system, variable message signs, and tandem toll booths.

A final decision by the Board was scheduled for vote in early 1989. ■

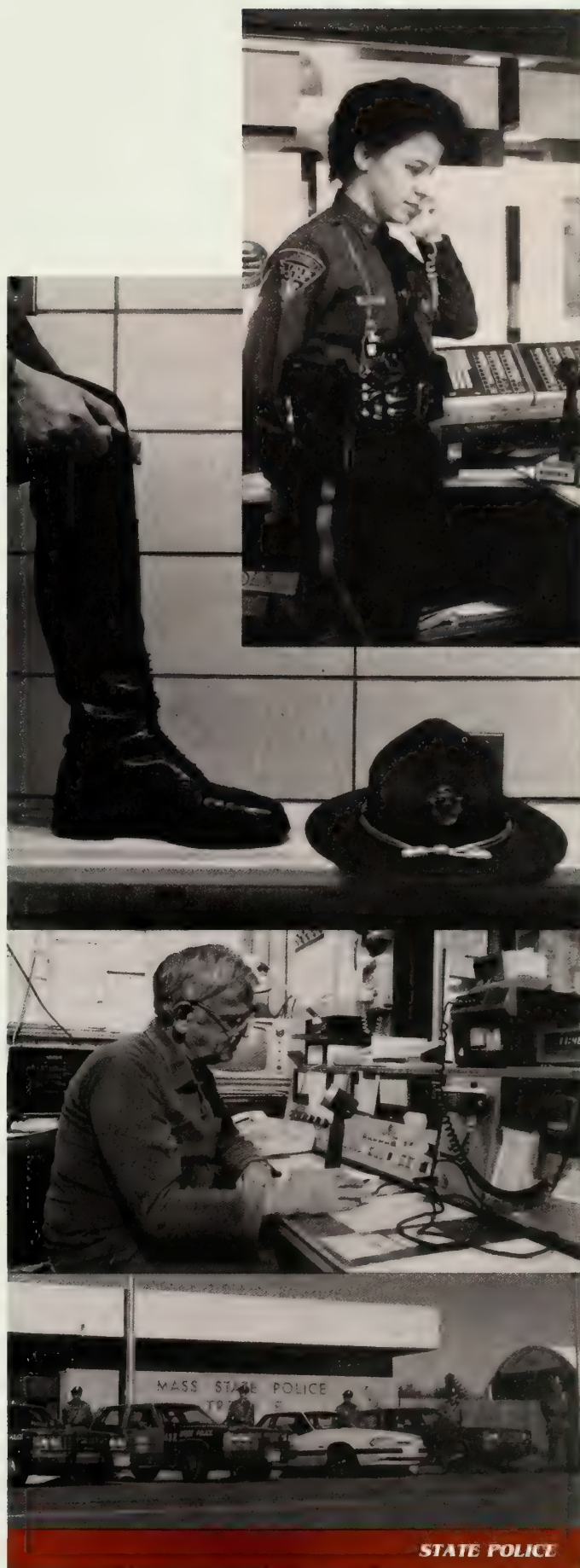
STATE POLICE

The Massachusetts State Police - Troop E is a complement of 105 officers and troopers assigned to the Turnpike Authority. Commanded by Captain Robert A. Morse, the Troop patrols 1100 lane miles of road between downtown Boston and the New York State line. Last year, the troopers responded to more than 1470 accidents, including 297 involving personal injury. They issued nearly 70,000 motor vehicle citations and arrested more than 900 individuals for various criminal offenses.

While the traffic volume increased 5.5%, a coordinated effort by the State Police resulted in a 53% increase in truck and motor vehicle citations issued.

This effort led to an overall decrease by a 5.3% fatality rate keeping the Massachusetts Turnpike one of the safest roads in the Commonwealth.

In 1988, the Turnpike Authority purchased a number of semi-marked cruisers and high-performance Mustangs (as pictured) to support an aggressive motor vehicle enforcement program. Additionally, the State Police Traffic Department incorporated the use of computers to store and update all traffic and administrative information. With the help of the Emergency Service Patrol, the State Police assisted more than 27,000 patrons whose vehicles became disabled within their jurisdiction. The goals for 1989 will emphasize high visibility, expanded traffic enforcement, coupled with the utmost courtesy to the motorist public. ■



HIGHLIGHTS 1988

During 1988, the Toll Collection Division processed a record 135,500,000 vehicles, an increase of 5% compared to 1987.

TOLL COLLECTION

During 1988, the Toll Collection Division processed a record 135,500,000 vehicles, an increase of 5% compared to 1987. Of this total, 51% was handled by the Initial Turnpike and 49% by the Boston Extension.

In response to this continued increase in traffic levels, a number of additional toll collectors were hired this year so that the Authority might better serve its patrons through reduced toll plaza congestion. Intensive discussions were held with the Engineering Division to plan for additional toll lanes at key interchanges providing accommodations for future traffic growth.

During the summer of 1988, toll collectors were provided with Bermuda shorts as part of their uniform complement. This innovative idea was well received and has been copied by other toll facilities. ■



MAINTENANCE

The bridge, highway, building, and equipment maintenance crews continued their efforts in maintaining, repairing, and in some cases, remodeling and upgrading the Authority's facilities. In addition, there have been some milestone events which have occurred with the equipment, purchases, general appearance and management of the roadway and maintenance of toll plazas.

Motor Equipment

The program to replace and upgrade the motorized equipment for the maintenance forces was continued with the purchase of three 1988 2-cubic yard front-end loaders; seven loader mounted snow blowers capable of handling 1400 tons of snow per hour; five large mowing tractors with one equipped with an over guardrail boom; seven F450 dump trucks with economizer sanders and plows and other miscellaneous pieces of maintenance equipment. These 1988 purchases provide the Authority with state of the art heavy equipment which will serve maintenance needs well into and beyond the next decade.

Seven 2-cubic yard loaders, one gradall and one 600 CFM compressor as well as other smaller vehicles are scheduled for replacement in 1989.

The equipment auction in October of 1988 had an excellent turnout and proved to be a great success. Approximately \$295,000.00 was generated by sales at this auction.

Beautification

In conjunction with the Governor's Program, a Beautification Division was established within the Maintenance Department during 1988. The Maintenance Department has continued to maintain and expand areas of highway beautification. New wildflower seedlings as well as flowering trees and other shrubbery plantings have been placed in various locations at interchanges and along the roadway. In 1988, new plantings were concentrated from I-495 through the Boston Extension, with more than 22,000 flowers and bulbs as well as 700 shrubs.

Bridge and Road Surface and Weather Monitoring Systems

The Road Surface and Weather Monitoring System powered by photovoltaic arrays has been operating since January 1987. This system was built under a grant supplied by Secretary Sharon Pollard of the Executive Office of Energy Resources. It provides vital statistics to the Maintenance Department for the snow and ice control efforts. The continuing data provided by the system consists of ambient and deck temperatures, condition of the bridge decks, precipitation, chemical percent on decks, and deck icing approximations.

Since the start-up of this monitoring system, it has been an important part of the management of snow and ice operations by the Maintenance Department. All depots are now able to monitor this information via the M.T.A.'s 3-digit telephone system.



HIGHLIGHTS 1988

While development activity and interest in air rights projects in Boston waned in 1988, there was much interest in air rights development on the part of Japanese firms.

REAL ESTATE

Development Activity

1988 proved to be an interesting year for the Real Estate Department. There was much interest in air rights development on the part of Japanese firms. Presentations on air rights developments, particularly Copley Place, were made to more than five Japanese delegations, and Joe Feaster and Bruce Grimaldi were featured in a Japanese video on the subject. Moreover, interest in Authority-owned land throughout the Commonwealth increased this year.

Licensing and Leasing

Increased activity in licensing and leasing of Authority-owned land continued during the year. Of particular note are the new agreements with Metro Mobile CTS of Springfield, Inc. and Metro Mobile CTS of Pittsfield, Inc., for the installation of radio towers, and the City of Newton for the parking of school buses.

The revenue generated from licenses and leases in 1988 were approximately 7.5 million dollars.

Communications Network

Much headway was made in negotiations which would enhance the Authority's communication needs. As mentioned previously, the Authority executed an Agreement with Metro Mobile CTS of Springfield, Inc. and Metro Mobile CTS of Pittsfield, Inc. which will provide the Authority with a redundant microwave system from Stockbridge to Agawam. Moreover, it is expected that by mid 1989, the Authority will have concluded right-of-way negotiations with a fiber optic company which will service our communication needs to the State Transportation Building, and from the Boston end of the Turnpike to the Authority's Tunnel Administration Building in East Boston.

The Marriott Corporation completed the remodeling and conversion of the restaurants on the Turnpike. As a result of the introduction of new food concepts, gift shops and the enlarging of some facilities, Marriott realized a significant increase in revenues in 1988. Of particular note, was a startling increase in revenues of 542 percent at Service Area 7W (Framingham). It appears that Marriott, in keeping with the philosophy of the Authority, is providing our traveling patrons with a quality product and excellent service.

F.L. Roberts & Company, Inc. completed the conversion to self-serve islands at the service areas on the Turnpike. This improvement is convenient to our traveling patrons and has enhanced service delivery. Moreover, F.L. Roberts realized increased revenues during 1988. This revenue increase had a beneficial effect on the Authority, particularly for our Capital Improvement Fund which was established during the most recent lease negotiation.

The day-to-day monitoring of our service area lessees, and our emergency service patrol and tow contracting operation were transferred to the Chairman's office in September, 1988. Alan R. Brooks, Manager of Patron Services, and his department now report directly to the Chairman. The Real Estate Department has enjoyed its association with the Patron Services Department since 1984, and wish them continued success in the years to come.

Finally, the Real Estate Department is looking forward to completing certain initiatives next year. Specifically, a computerized listing of Authority-owned land, and concluding right-of-way negotiations with several fiber optic companies. ■

CAR POOL PASS PROGRAM

In October, 1988, the Massachusetts Turnpike Authority launched a major public awareness campaign on its Car Pool Pass Program utilizing posters placed at the toll booths, and give-away informational brochures. The campaign's media message generated 847 requests for applications in a 10-week period.

The Car Pool Pass Program encourages commuters to form car pools with 3 or more persons. Purchased annually, the Pass is one-third the cost of daily toll charges and can be used 7 days a week, 24 hours a day. Passes are also available for users of the Callahan-Sumner Tunnels. ■

**A
CAR
POOL
PASS
IS MONEY
IN YOUR
POCKET.**



CAR POOL PASS



REAL ESTATE

AFFIRMATIVE ACTION

The Massachusetts Turnpike Authority has a commitment to providing an all encompassing atmosphere of affirmative action, suited to the needs and uniqueness of the Authority.

EQUAL EMPLOYMENT OPPORTUNITY

The Massachusetts Turnpike Authority has a commitment to providing an all encompassing atmosphere of affirmative action, suited to the needs and uniqueness of the Authority. To make this a reality, efforts in 1988 were directed in a manner designed to elicit the optimum benefits of the Authority's Affirmative Action Program. All facets of the Authority, and its overall operation were subjected to this ambitious undertaking. This reportage contains summaries of some of the highlights emanating from efforts extended.

Data pertaining to employees for 1988 indicated that the Authority's overall work force numbered 1,106. Minorities and women accounted for 34% of the total number of people who were employees of the Authority that year.

In 1988, the Authority recorded 151 new hires. Minorities and women comprised 35% of those newly hired employees. Employee promotions for that year reached a total of 144. More than 40% of those were earned by minorities and women. The group of promoted employees also included individuals who were self-identified as having Vietnam Era veteran or handicapped status. Holders of the aforementioned status (Vietnam Era veteran or handicapped person) constituted 5% of the promotions awarded.

Each year the Authority conducts a Summer Seasonal Program designed to provide employment for student age individuals during the summer months. The program helps fulfill the Authority's need to augment its work force, in order to meet the increased demands of summer traffic. The 1988 program was responsible for having provided employment for 125 people over the past summer. The program can be characterized as successful with respect to its affirmative action commitments. Minorities and women were the recipients of more than 50% of the jobs filled under the summer program.

The Authority remains committed to its current programs for Minority Business Enterprises (MBEs), and the further development of business opportunities for these commercial organizations. Consistent with this, the Authority actively employed procedures that were designed to generate increased contractual opportunities for Women Business Enterprises (WBEs).

The programs share the responsibility for creating propitious business situations which encourage M/WBEs to establish contractual relationships with the Authority.

References are made herein regarding activities which were responsible for the identification and the resultant utilization of additional M/WBEs. The group of activities referred to included the following: organizing business forums, participating in events planned for M/WBE owners, involvement in State and Federally sponsored events designed to promote the develop-

ment of M/WBEs, direct communication with owners of M/WBEs and providing technical assistance to M/WBEs.

To that end, the Authority's programs, with the cooperation of other appropriate internal departments, produced contracts for M/WBEs totalling \$1,902,626.

Efforts in 1989 will involve, but not be restricted to, establishing additional methods and system-wide practices to assure the Authority of an overall affirmative compliance status. These broad-based efforts will encompass provisions for increasing employment and promotional opportunities for members of protected groups (women, minorities, persons with Vietnam Era veteran or handicapped status), and include expansion of situations favorable to minority/women business owners, who wish to consummate contracts with this Authority. ■

CREDIT UNION

The Turnpike Credit Union was chartered by the Commonwealth of Massachusetts in February, 1974, providing a convenient savings and lending vehicle for employees of the Massachusetts Turnpike Authority. Governed by a fifteen-member Board of Directors elected from its membership, the credit union goal continues to be the ability to offer low interest loans while paying high, competitive rates on savings.

Products offered to the membership are share (savings) accounts, money market deposit accounts, certificates of deposit of varied terms, club accounts, personal, automobile, home improvement and recreational vehicle loans.

Daily operations are aptly provided to the more than 930 members by a full-time manager and staff of two. Working committees, formed by and from the Board of Directors, consist of the credit, auditing, marketing and investment committees.

As the Turnpike Credit Union nears completion of fifteen years in operation, its assets exceed 2.5 million dollars, 6,500 loans valued at more than 14 million dollars have been written. Dividends and interest on savings and certificates paid to members exceed 1 million dollars. ■



AWARDS, RETIREES, DEATHS

SERVICE AWARDS

During 1988, the following personnel became eligible for Length of Service Awards:

30 YEARS OF SERVICE – 1988

CHARLES E. BENOIT
Emergency Service Patrol Person

JAMES C. DONAHUE
Foreman of Maintenance

ROBERT M. DWYER
Foreman of Motor Equipment Maintenance

LEO R. GALARNEAU
Assistant Foreman

RONALD E. QUINN
Heavy Equipment Operator

ALPHONSE W. ROBIDOUX
Supervisor of Maintenance

25 YEARS OF SERVICE – 1988

STANLEY J. BRITTON
Secretary/Treasurer

ERNEST J. QUINTILIANI
Senior Toll Collector

ROGER D. TOURVILLE
Bridge Repairman

20 YEARS OF SERVICE – 1988

JOHN P. CAVANAGH
Radio Teletype Operator

CHRISTY L. CHIRIACO
Toll Collector

ARTHUR P. FITZPATRICK
Foreman of Sign Erection

MICHAEL N. GIACOBBI
Supervisor of Maintenance

EDMUND W. GROCHOWSKI
Toll Collector

RICHARD W. HOSKING
Toll Collector

WILLIAM J. KEYES
Section Supervisor of Tolls

KENNETH R. LEWIS
Controller

WILLIAM G. MAROT
Light Equipment Operator

DANIEL W. MCLAUGHLIN, JR.
Plaza Supervisor

GEORGE P. D. PORTER
Emergency Service Patrol Person

FRANK A. SARNO
Admin. & Financial Asst. to the Superintendent of Toll Collections

WILLIAM F. SHERIDAN
Toll Collector

CHARLES H. SPEICHER
Senior Toll Audit Clerk

LENORE M. THORNTON
Assistant Manager of Patron Services

ROGER L. THURBER
Foreman of Sign Shop

JAMES F. TIERNEY
Plaza Supervisor

WENDELL W. WOOTEN, SR.
Supervisor of Accounts Payable

15 YEARS OF SERVICE – 1988

THOMAS H. BROWN
Toll Collector

STANLEY BUONAGURIO
Chief Electrician

JAMES M. BURNS
Toll Collector

RONALD CALDWELL
Toll Operations Coordinator

PASQUALE CARUSO
Toll Collector

LAWRENCE A. DOOKS
Senior Reproduction Equipment Operator

PETER T. FORBES
Assistant Supervisor of Toll Audit

DONALD J. FORD
Building Maintenance Mechanic-Skilled

GARFIELD P. GALANT
Assistant Foreman

EDWARD T. GILLEN
Foreman of Special Projects

CHARLES KRIKORIAN
First Class Mechanic

CLARENCE LEMIEUX
Foreman of Maintenance

FRANCIS A. LEONARD, JR.
Toll Collector

NORMAN C. LETOURNEAU
Senior Civil Engineer

JEREMIAH MCKENNA
Building Maintenance Mechanic-Skilled



MASSACHUSETTS
• TURNPIKE •
AUTHORITY

DAVID R. NAGLE
Director of Real Estate

RICHARD W. O'CONNOR
First Class Mechanic

JOSEPH L. PALMIERI
Toll Collector

WILLIAM E. PARTELO
Light Equipment Operator

GEORGE W. SCHNEYER
Heavy Equipment Operator

ROBERT J. SKORUPSKI
Heavy Equipment Operator

ANTHONY W. SMITH, JR.
Light Equipment Operator

WILLIE SMITH
Toll Collector

KEVIN E. SULLIVAN
Senior Maintenance Clerk

JOHN P. TUTTLE
Emergency Service Patrol Person

PRIDE IN PERFORMANCE RECOGNITION AWARD

At a testimonial dinner on Friday, November 18, 1988, the following Massachusetts Turnpike Authority employees were among those selected throughout the Commonwealth to receive a Pride in Performance Recognition Award from Governor Michael S. Dukakis

MARK CALI
Toll Collector Tunnels

ANN P. CASSIDY
*Assistant Secretary
Secretary-Treasurer's Office*

CHARLES D. FORSTER
*Toll Operations Coordinator
Interchange 19*

KIMBERLY A. KENNEDY-HICKEY
*Acting Word Processing
Console Operator
Legal Department*

PATRICIA M. MCDONALD
*Assistant Manager of Data
Systems Data Processing*

PAULA M. STASIUM
*Administrative Assistant to the
Maintenance Engineer Weston*

RETIREES FOR 1988

MELVIN C. CRAIN
Chief Engineer

RAYMOND J. MCINNIS
Division Engineer

RICHARD ANDREWS
Heavy Equipment Operator

MARIO M. ANZALOTTI
Senior Maintenance Clerk

EUGENE F. BERG
Assistant Foreman

ROBERT F. BESAW
Heavy Equipment Operator

DONALD A. DITOMASSO
Senior Maintenance Clerk

EDWARD G. FITZGERALD
Supervisor of Maintenance

LEONARD GABRILA
Maintenance Worker

LEO R. GALARNEAU
Assistant Foreman

JOSEPH T. MCGOWAN
Maintenance Worker

MARTIN E. WALSH
Senior Storekeeper

CHARLES H. WINN
Heavy Equipment Operator

JOSEPH E. YON
Maintenance Clerk

LEGAL:

PHYLLIS M. DOHERTY
*Administrative Assistant
to the Resident Counsel*

MOTOR POOL:

FRED MILWARD
Chauffeur

SECRETARY- TREASURER'S OFFICE

HERBERT F. BAKER
Financial & Statistical Analyst

DENNIS J. COLLINS
Toll Collector

JESSIE M. FULTON
Toll Collector

LOUIS J. GENTILE
Toll Collector

NORMAN J. GLOVER
Toll Collector

RALPH C. JULIAN
Assistant Plaza Supervisor

WILLIAM F. MANNING
Toll Collector

JOSEPH F. QUINN
Toll Collector

JOSEPH A. RANDO, JR.
Toll Collector

GILBERT H. THOMPSON
Toll Collector

BERNARD YELEN
Toll Collector

TUNNELS DIVISION:

MURRAY TARMY
Toll Collector

DEATHS - 1988

* MICHAEL CLANCY
*Senior Toll Collector
01/23/88*

* EDWARD J. HAYES
*Maintenance Clerk
01/28/88*

* JOSEPH F. UGHETTI
*Toll Records Analyst
02/19/88*

* STANLEY W. MILLER
*Janitor
02/24/88*

* GEORGE A. BLASCAK
*First Class Mechanic
02/28/88*

* JAMES G. O'BRIEN
*Toll Collector
03/03/88*

* HELEN E. HEALY
*Assistant Secretary
04/27/88*

* JOSEPH A. DESIMONE
*Assistant Foreman
05/02/88*

* PATRICK F. KITTREDGE
*Toll Collector
05/28/88*

* JOSEPH J. MORGAN
*Toll Collector
05/29/88*

* WARREN S. JOHNSEN
*Bldg. Maint. Mechanic Skilled
05/30/88*

* FRANCIS D. MCMASTER
*Senior Storekeeper
06/02/88*

CATHERINE A. LACROIX
*Building Maintenance Clerk
06/22/88*

* JOHN B. GUIDICIANNE
*Toll Collector-Tunnel
07/02/88*

* FLORYAN J. SADOWSKI
*Maintenance Clerk
07/05/88*

* WENDELL C. PIPER
*Senior Toll Collector
07/06/88*

* SAM A. PICARDI
*Attorney
08/02/88*

* EMIL A. FOURNIER
*Senior Storekeeper
08/14/88*

* HERBERT F. BAKER
*Financial & Statistical Analyst
08/20/88*

* ROBERT E. LEE
*Resident Engineer
09/03/88*

* ABRAHAM MALOOF
*Toll Collector
09/19/88*

* JOSEPH T. NEDDER
*Senior Toll Collector
11/08/88*

RAYMOND F. BROWN
*Heavy Equipment Operator
11/17/88*

* JOHN J. WRIGHT
*Foreman of Bldg. Maint.
11/27/88*

* ANTHONY J. KATTER
*Toll Collector
11/30/88*

THOMAS M. DOYLE
*Toll Collector-Tunnel
12/23/88*

* LOUIS A. MIRABELLO
*Senior Storekeeper
12/24/88*

* PETER A. JONAITIS
*Senior Maintenance Clerk
12/27/88*

* Retired

FINANCIAL STATEMENTS

February 16, 1989
Members of the Board
Massachusetts Turnpike Authority
Boston, Massachusetts 02116

We have audited the Statements of Condition of the two financially distinct facilities of the Massachusetts Turnpike Authority consisting of the Massachusetts Turnpike and the Callahan-Sumner Tunnels, as of December 31, 1988 and 1987 and their related Statements of Revenues and Expenses and Changes in Fund Balances for the years then ended pursuant to the respective Trust Agreements. These financial statements are the responsibility of the Massachusetts Turnpike Authority management. Our responsibility is to express an opinion on these financial statements based on our audits.

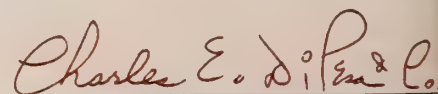
We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As more fully described in Note 3, the Authority's policy is to prepare its financial statements on the basis of accounting practices prescribed by the Trust Agreements. These practices vary in some respects from generally accepted accounting principles. Accordingly, the financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles. As a matter of policy and public information, also presented are combined financial statements of the Massachusetts Turnpike and the Callahan-Sumner Tunnels.

In our opinion, the aforementioned financial statements present fairly in all material respects, the financial positions of the Massachusetts Turnpike Authority entities, the Massachusetts Turnpike and the Callahan-Sumner Tunnels, as of December 31, 1988 and 1987 and the revenues and expenses and changes in fund balances for the years then ended in conformity with provisions of the Trust Agreements, as set forth in Note 3 to the financial statements.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary data is presented for the purpose of additional analysis in supplementary schedules 1 through 6 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is stated fairly in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,



CHARLES E. DIPESA & CO.
Certified Public Accountants



MASSACHUSETTS TURNPIKE AUTHORITY
COMBINED STATEMENT OF CONDITION (NOTE 3b)
As of December 31, 1988 and 1987

ASSETS	1988	1987
Cash (Note 4)		
Operating	\$ 631,174	\$ 391,600
Toll Depository Banks	7,410,524	7,299,217
Bond Interest	—	5,258,500
Investments (Note 4)	93,206,817	89,114,649
Accrued Interest on Investments	554,151	272,248
Accounts Receivable	2,925,795	2,540,364
Inventories	658,761	411,040
Deposits, Prepaid and Deferred Items	1,850,034	1,412,172
Escrow Funds	77,593	56,793
Investments in Annuity Contract (Note 8)	3,813,219	2,946,638
Cost of Massachusetts Turnpike and Callahan-Sumner Tunnels to Date	556,323,345	555,237,950
Total Assets	\$ 667,451,413	\$ 664,941,171

LIABILITIES AND FUND BALANCES		
Accounts Payable	\$ 1,095,478	\$ 1,760,220
Accrued Expenses and Payroll	5,317,346	2,958,768
Withholding from Employees	20,411	35,383
Deposits and Deferred Income	942,749	929,340
Bond Interest — Unpaid Coupons	62,357	62,357
Deferred Compensation (Note 8)	3,813,219	2,946,638
Medical Benefits Claims Reserve	292,481	104,849
Retainage	1,650,996	2,990,397
Revenue Bonds Outstanding	192,253,850	211,981,565
Fund Balances		
Revenue Bonds Retired	401,746,150	382,018,435
Fund Balances	60,256,376	59,153,219
Total Fund Balances	\$ 462,002,526	\$ 441,171,654
Total Liabilities and Fund Balances	\$ 667,451,413	\$ 664,941,171

The accompanying notes are an integral part of the financial statements.

MASSACHUSETTS TURNPIKE AUTHORITY
COMBINED STATEMENT OF REVENUES AND EXPENSES (NOTE 3b)
For the Years Ended December 31, 1988 and 1987

REVENUES		1988	1987
Toll Revenue (Net)	\$	103,598,613	\$ 99,099,269
Restaurant Revenue		2,487,136	1,949,564
Service Station Revenue		1,746,959	1,705,757
Rental Income		2,852,786	2,914,627
Miscellaneous		303,239	319,723
Income from Investments			
Redemption Account		266,982	197,041
Revenue Fund		367,175	270,528
Replacement Reserve Fund		1,988,919	1,739,109
Bond Interest Accounts		348,479	308,975
Reserve Account		990,434	1,191,920
Total Revenues	\$	114,950,722	\$ 109,696,513
OPERATING EXPENSES			
Administrative	\$	7,135,598	\$ 6,308,409
Retirement		6,391,465	4,122,306
Toll Collection		16,222,640	14,548,786
Police Patrol		4,337,497	3,731,024
Engineering and Maintenance		16,655,480	15,860,710
Total Operating Expenses	\$	50,742,680	\$ 44,571,235
Excess of Revenues Over Operating Expenses	\$	64,208,042	\$ 65,125,278
Interest Requirements	\$	7,668,639	\$ 8,718,775
Percentage of Interest Earned		837.28	746.95

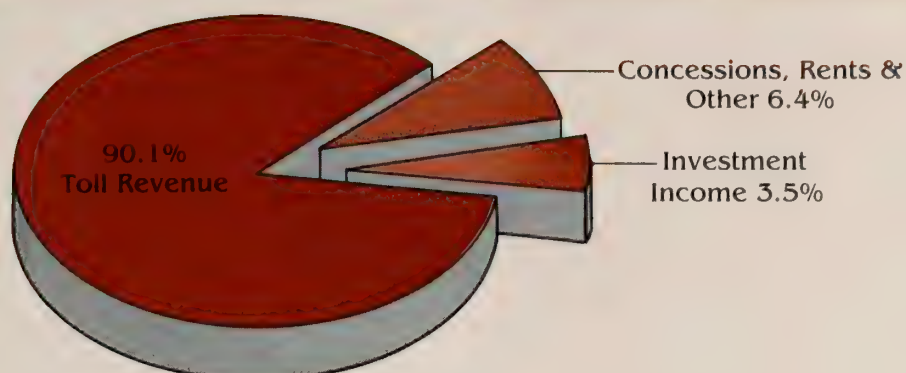
COMBINED CHANGES IN FUND BALANCES (NOTE 3b)
For the Years Ended December 31, 1988 and 1987

	1988	1987
Balances — beginning of year	\$ 59,153,219	\$ 59,853,332
Excess of Revenues Over Operating Expenses	64,208,042	65,125,278
For the Years Ended December 31, 1988 and 1987		
Totals	\$ 123,361,261	\$ 124,978,610
DISBURSEMENTS		
Redemption of Bonds	\$ 20,796,562	\$ 21,299,266
Payment of Bond Interest		
Interest Dates	10,545,161	11,404,508
Retirement Dates	349,200	390,176
Replacement Reserve Expenditures	31,413,962	32,731,441
Total Disbursements	\$ 63,104,885	\$ 65,825,391
Balances — end of year	\$ 60,256,376	\$ 59,153,219

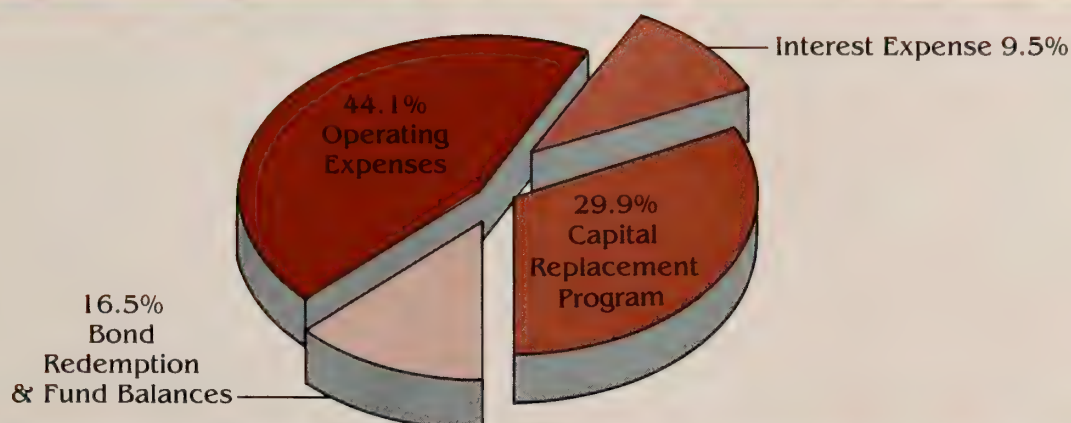
The accompanying notes are an integral part of the financial statements.

MASSACHUSETTS TURNPIKE AUTHORITY

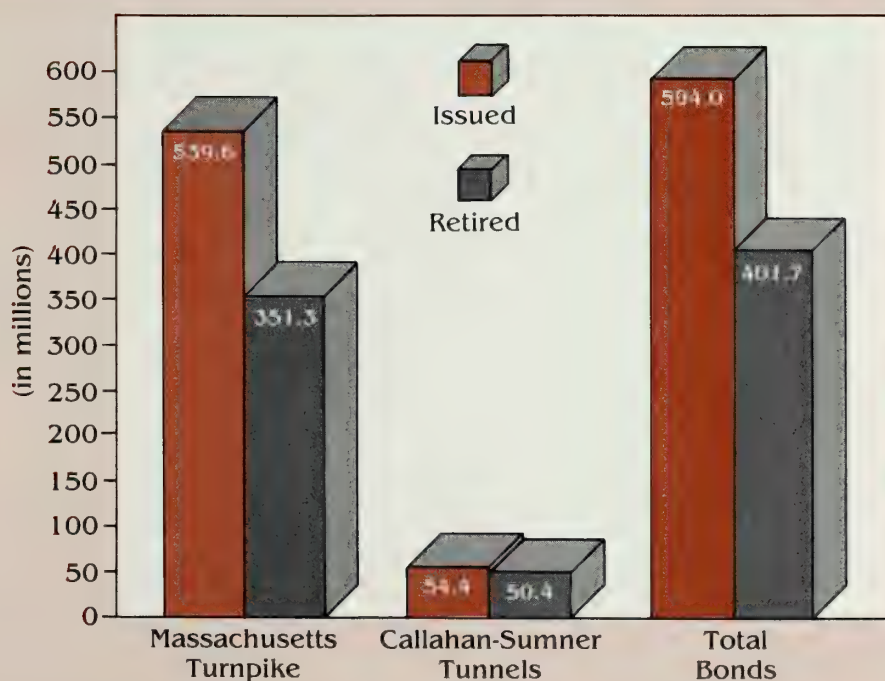
1988 COMBINED GROSS REVENUES



1988 DISPOSITION OF COMBINED REVENUES (NOTE 3b)



1988 TOTAL BONDS ISSUED AND RETIRED (NOTE 3b)



MASSACHUSETTS TURNPIKE AUTHORITY
MASSACHUSETTS TURNPIKE STATEMENT OF CONDITION
As of December 31, 1988 and 1987

ASSETS		1988	1987
Cash (Note 4)			
Operating	\$	613,655	\$ 344,436
Toll Depository Banks		6,676,935	6,515,106
Bond Interest		—	5,258,500
Investments (Note 4)		86,252,738	81,970,932
Accrued Interest on Investments		432,999	222,646
Accounts Receivable		2,868,681	2,468,179
Inventories		658,515	409,611
Deposits, Prepaid and Deferred Items		1,552,839	1,096,150
Escrow Funds		77,593	56,793
Investments in Annuity Contract (Note 8)		3,813,219	2,946,638
Due from Other Funds		1,046,654	1,582,290
Cost of Massachusetts Turnpike to Date		501,923,345	500,837,950
Total Assets	\$	605,917,173	\$ 603,709,231
LIABILITIES AND FUND BALANCES			
Accounts Payable	\$	1,052,894	\$ 1,682,300
Accrued Expenses and Payroll		4,634,749	2,349,731
Withholding from Employees		20,411	35,383
Deposits and Deferred Income		775,338	757,304
Bond Interest — Unpaid Coupons		43,568	43,568
Deferred Compensation (Note 8)		3,813,219	2,946,638
Due to Other Funds		924,073	1,580,524
Medical Benefits Claims Reserve		292,481	104,849
Retainage		1,650,996	2,903,701
Revenue Bonds Outstanding			
1962 Revenue Series — Due January 1, 2002			
Series A — 4.75%		100,000,000	100,000,000
Series A — 4.15%		38,000,000	38,000,000
1984 Refunding Bonds — Due January 1, 2002			
Series B — 5%		10,254,850	27,763,565
1986 Improvement Series — Due January 1, 2025			
Series A — 6.75%		22,000,000	22,000,000
1986 Improvement Series — Due January 1, 2026			
Series A — 7.125%		18,000,000	18,000,000
Fund Balances			
Revenue Bonds Retired		351,345,150	333,836,435
Fund Balances		53,109,444	51,705,233
Total Fund Balances	\$	404,454,594	\$ 385,541,668
Total Liabilities and Fund Balances	\$	605,917,173	\$ 603,709,231

The accompanying notes are an integral part of the financial statements.

MASSACHUSETTS TURNPIKE AUTHORITY
MASSACHUSETTS TURNPIKE STATEMENT OF REVENUES AND EXPENSES
For the Years Ended December 31, 1988 and 1987

REVENUES		1988	1987
Toll Revenue (Net)	\$	93,835,256	\$ 89,482,687
Restaurant Revenue		2,487,136	1,949,564
Service Station Revenue		1,746,959	1,705,757
Rental Income		2,775,125	2,838,203
Miscellaneous		286,179	313,722
Income from Investments			
Redemption Account		248,239	181,116
Revenue Fund		322,673	238,580
Replacement Reserve Fund		1,813,172	1,577,220
Bond Interest Account		340,086	298,541
Reserve Account		728,544	877,925
Total Revenues	\$	104,583,369	\$ 99,463,315
OPERATING EXPENSES			
Administrative	\$	5,972,566	\$ 5,337,743
Retirement		5,293,757	3,352,404
Toll Collection		13,881,898	12,460,487
Police Patrol		4,104,308	3,573,181
Engineering and Maintenance		14,191,500	13,551,440
Total Operating Expenses	\$	43,444,029	\$ 38,275,255
Excess of Revenues Over Operating Expenses	\$	61,139,340	\$ 61,188,060
Interest Requirements	\$	7,413,054	\$ 8,354,803
Percentage of Interest Earned		824.75	732.37

The accompanying notes are an integral part of the financial statements.

MASSACHUSETTS TURNPIKE AUTHORITY
MASSACHUSETTS TURNPIKE STATEMENT OF CHANGES IN FUND BALANCES
For the Years Ended December 31, 1988 and 1987

	Revenues Retained for General Operating Purposes	SINKING FUND					1988 Totals	1987 Totals	
		Bond Interest Accounts		Reserve Account	Redemption Account 1984 Series	Replacement Reserve Fund			
		Series A	Series B						
BALANCES									
Beginning of Year	\$ 11,216,765	\$ 4,678,234	\$ 812,206	\$ 10,742,818	\$ 6,219,340	\$ 18,035,870	\$ 51,705,233	\$ 52,102,456	
Excess of Revenue Over Operating Expenses for the Years Ended 1988 & 1987	58,003,840	309,116	30,970	728,544	248,239	1,818,631	61,139,340	61,188,060	
Transfers									
Revenue Fund	(59,207,724)	8,831,433	1,075,958		15,900,333	33,400,000			
Reserve Account				(1,810,734)	1,810,734				
TOTALS	\$ 10,012,881	\$ 13,818,783	\$ 1,919,134	\$ 9,660,628	\$ 24,178,646	\$ 53,254,501	\$ 112,844,573	\$ 113,290,516	
DISBURSEMENTS									
Redemption of Bonds	\$	\$	\$	\$	\$ 18,561,215	\$	\$ 18,561,215	\$ 19,374,796	
Payment of									
Bond Interest									
Interest Dates		9,094,500	1,187,983				10,282,483	11,040,587	
Retirement Dates			325,853				325,853	362,167	
Replacement Reserve Expenditures						30,565,578	30,565,578	30,807,733	
TOTAL									
DISBURSEMENTS	\$	\$ 9,094,500	\$ 1,513,836	\$	\$ 18,561,215	\$ 30,565,578	\$ 59,735,129	\$ 61,585,283	
BALANCES —									
End of Year	\$ 10,012,881	\$ 4,724,283	\$ 405,298	\$ 9,660,628	\$ 5,617,431	\$ 22,688,923	\$ 53,109,444	\$ 51,705,233	

The accompanying notes are an integral part of the financial statements.

MASSACHUSETTS TURNPIKE AUTHORITY
CALLAHAN-SUMNER TUNNELS STATEMENT OF CONDITION
As of December 31, 1988 and 1987

ASSETS	1988	1987
Cash (Note 4)		
Operating	\$ 17,519	\$ 47,164
Toll Depository Banks	733,589	784,111
Investments (Note 4)	6,954,079	7,143,717
Accrued Interest on Investments	121,152	49,602
Accounts Receivable	57,114	72,185
Inventories	246	1,429
Deposits, Prepaid and Deferred Items	297,195	316,022
Due from Other Funds	42,057	69,494
Cost of Tunnels to Date	54,400,000	54,400,000
Total Assets	\$ 62,622,951	\$ 62,883,724
LIABILITIES AND FUND BALANCES		
Accounts Payable	\$ 42,584	\$ 77,920
Accrued Expenses and Payroll	682,597	609,037
Deposits and Deferred Income	167,411	172,036
Bond Interest — Unpaid Coupons	18,789	18,789
Due to Other Funds	164,638	71,260
Retainage		86,696
Revenue Bonds Outstanding		
1959 Revenue Series — Due April 1, 1999		
4.75%	3,999,000	6,218,000
Fund Balances		
Revenue Bonds Retired	50,401,000	48,182,000
Fund Balances	7,146,932	7,447,986
Total Fund Balances	\$ 57,547,932	\$ 55,629,986
Total Liabilities and Fund Balances	\$ 62,622,951	\$ 62,883,724

The accompanying notes are an integral part of the financial statements.

MASSACHUSETTS TURNPIKE AUTHORITY
CALLAHAN-SUMNER TUNNELS STATEMENT OF REVENUES AND EXPENSES
For the Years Ended December 31, 1988 and 1987

REVENUES		1988	1987
Toll Revenue (Net)	\$	9,763,357	\$ 9,616,582
Rental Income		77,661	76,424
Miscellaneous		17,060	6,001
Income from Investments			
Redemption Account		18,743	15,925
Revenue Fund		44,502	31,948
Replacement Reserve Fund		175,747	161,889
Bond Interest Account		8,393	10,434
Reserve Account		261,890	313,995
Total Revenues	\$	10,367,353	\$ 10,233,198
OPERATING EXPENSES			
Administrative	\$	1,163,032	\$ 970,666
Retirement		1,097,708	769,902
Toll Collection		2,340,742	2,088,299
Police Patrol		233,189	157,843
Engineering and Maintenance		2,463,980	2,309,270
Total Operating Expenses	\$	7,298,651	\$ 6,295,980
Excess of Revenues Over Operating Expenses	\$	3,068,702	\$ 3,937,218
Interest Requirements	\$	255,585	\$ 363,972
Percentage of Interest Earned		1,200.66	1,081.73

The accompanying notes are an integral part of the financial statements.

MASSACHUSETTS TURNPIKE AUTHORITY
CALLAHAN-SUMNER TUNNELS STATEMENT OF CHANGES IN FUND BALANCES
For the Years Ended December 31, 1988 and 1987

	Revenues Retained for General Operating Purposes	SINKING FUND				Replacement Reserve Fund	1988 Totals	1987 Totals
		Bond Interest Account	Reserve Account	Redemption Account 1959 Series				
BALANCES —								
Beginning of Year	\$ 781,936	\$ 163,140	\$ 4,203,619	\$ 171,352	\$ 2,127,939	\$ 7,447,986	\$ 7,750,876	
Excess of Revenue Over Operating Expenses for the Years Ended 1988 & 1987	2,586,871	8,393	261,890	18,743	192,805	3,068,702	3,937,218	
Transfers Revenue Fund Reserve Account	(2,762,236)	224,610	(510,745)	1,537,626 510,745	1,000,000			
TOTALS	\$ 606,571	\$ 396,143	\$ 3,954,764	\$ 2,238,466	\$ 3,320,744	\$ 10,516,688	\$ 11,688,094	
DISBURSEMENTS								
Redemption of Bonds	\$	\$	\$	\$ 2,235,347	\$	\$ 2,235,347	\$ 1,924,471	
Payment of Bond Interest								
Interest Dates		262,678				262,678	363,921	
Retirement Dates		23,347				23,347	28,009	
Replacement Reserve Expenditures					848,384	848,384	1,923,707	
TOTAL DISBURSEMENTS	\$	\$ 286,025	\$	\$ 2,235,347	\$ 848,384	\$ 3,369,756	\$ 4,240,108	
BALANCES —								
End of Year	\$ 606,571	\$ 110,118	\$ 3,954,764	\$ 3,119	\$ 2,472,360	\$ 7,146,932	\$ 7,447,986	

The accompanying notes are an integral part of the financial statements.

MASSACHUSETTS TURNPIKE AUTHORITY
SUMMARY OF REVENUE BONDS ISSUED, RETIRED AND OUTSTANDING
Fiscal Year Ended December 31, 1988

	Original Amount Authorized And Issued	Plus Issuance of Series B Refunding Bonds	Total Bonds Issued	Acquired and Cancelled Prior to 1/1/88	Bonds Outstanding 1/1/88	Bonds Retired in 1988	Amount Outstanding 12/31/88
MASSACHUSETTS TURNPIKE							
1954 Revenue Bonds							
Due 01/01/2002							
3.3%	\$ 239,000,000	\$	\$ 239,000,000	\$239,000,000	\$	\$	\$
1962 Revenue Bonds							
Due 01/01/2002							
Series A — 4.75%	100,000,000		100,000,000		100,000,000		100,000,000
Series A — 4.15%	38,000,000		38,000,000		38,000,000		38,000,000
Series B — 4%-5%	80,000,000	(80,000,000)					
1968 Revenue Bonds							
Due 05/01/2008							
5.25%	15,000,000		15,000,000	15,000,000			
1984 Refunding Bonds							
Due 01/01/2002							
Series B — 5%		107,600,000	107,600,000	79,836,435	27,763,565	17,508,715	10,254,850
1986 Revenue Bonds							
Improvement Series							
Due 01/01/2025							
Series A — 6.75%	22,000,000		22,000,000		22,000,000		22,000,000
Due 01/01/2026							
Series A — 7.125%	18,000,000		18,000,000		18,000,000		18,000,000
TOTAL MASSACHUSETTS TURNPIKE	\$ 512,000,000	\$ 27,600,000	\$ 539,600,000	\$333,836,435	\$205,763,565	\$ 17,508,715	\$188,254,850
CALLAHAN-SUMNER TUNNELS							
1959 Revenue Bonds							
Due 04/01/1999							
4.75%	\$ 52,800,000	\$	\$ 52,800,000	\$46,582,000	\$ 6,218,000	\$ 2,219,000	\$ 3,999,000
4.25%	1,600,000		1,600,000	1,600,000			
TOTAL CALLAHAN-SUMNER TUNNELS	\$ 54,400,000	\$	\$ 54,400,000	\$48,182,000	\$ 6,218,000	\$ 2,219,000	\$ 3,999,000
TOTAL AUTHORITY	\$ 566,400,000	\$ 27,600,000	\$ 594,000,000	\$382,018,435	\$211,981,565	\$ 19,727,715	\$192,253,850

The accompanying notes are an integral part of the financial statements.

MASSACHUSETTS TURNPIKE AUTHORITY
COMBINED REVENUES, OPERATING EXPENSES AND BOND INTEREST REQUIREMENTS
For the Years Ended December 31, 1988 and 1987

REVENUES, OPERATING EXPENSES AND NET REVENUES

	Gross Revenues		Operating Expenses		Net Revenues	
	1988	1987	1988	1987	1988	1987
Massachusetts Turnpike	\$104,583,369	\$99,463,315	\$43,444,029	\$38,275,255	\$61,139,340	\$61,188,060
Callahan-Sumner Tunnels	10,367,353	10,233,198	7,298,651	6,295,980	3,068,702	3,937,218
Totals	\$114,950,722	\$109,696,513	\$50,742,680	\$44,571,235	\$64,208,042	\$65,125,278

BOND INTEREST REQUIREMENTS

	Net Revenues		Interest Requirements		Percentage of Interest Earned	
	1988	1987	1988	1987	1988	1987
Massachusetts Turnpike	\$61,139,340	\$61,188,060	\$7,413,054	\$8,354,803	824.75	732.37
Callahan-Sumner Tunnels	3,068,702	3,937,218	255,585	363,972	1,200.66	1,081.73
Totals	\$64,208,042	\$65,125,278	\$7,668,639	\$8,718,775	837.28	746.95

The accompanying notes are an integral part of the combined financial statements.

NOTES TO FINANCIAL STATEMENTS

In fiscal years 1988 and 1987, the Authority operated two separate and financially distinct facilities: the Massachusetts Turnpike and the Callahan-Sumner Tunnels.

1 General

In fiscal years 1988 and 1987, the Authority operated two separate and financially distinct facilities: the Massachusetts Turnpike and the Callahan-Sumner Tunnels. These facilities were financed by means of revenue bond issues totalling \$594,000,000 (Massachusetts Turnpike \$539,600,000 and Callahan-Sumner Tunnels \$54,400,000). Neither the faith and credit nor the taxing power of the Commonwealth of Massachusetts or of any political subdivision thereof is pledged to the payment of the principal or interest on the bonds. The funds providing for the maintenance, operation and policing of these facilities, as well as principal and interest payments on bond issues, are derived from tolls and other revenues.

2 The Enabling Act

By Chapter 354 of the Acts of 1952 of the Commonwealth of Massachusetts, the Massachusetts Turnpike Authority was duly created a body politic and corporate and public instrumentality of the Commonwealth of Massachusetts and was authorized and empowered to construct, maintain, repair and operate a toll express highway, known as the Massachusetts Turnpike. Chapter 598 of the Acts of 1958 authorized and empowered the Massachusetts Turnpike Authority to acquire from the City of Boston the Sumner Tunnel and to construct and operate an additional vehicular tunnel between Boston proper and East Boston (known as the Callahan Tunnel).

3 Summary of Significant Accounting Policies

a) General Accounting Practices

All accounts and records of the Authority are maintained in accordance with accounting practices consistent with the provisions of the following trust agreements: The Supplemental Trust Agreement dated as of January 1, 1962, relating to the Massachusetts Turnpike and Trust Agreement dated as of April 1, 1959, relating to the Callahan-Sumner Tunnels. As a result of the terms of the bond resolutions and the related interpretation thereof, the Authority's accounting practices differ in certain respects from generally accepted accounting principles, but are in accordance with accounting practices followed by similar entities.

b) Combined Financial Statements

In addition to the financial statements presented for each of the two financially distinct facilities, the Authority, as a matter of policy and public information, also presents in its Annual Report, financial statements reflecting the combined financial condition of the Massachusetts Turnpike and the Callahan-Sumner Tunnels.

c) The Fiscal Year

The Authority's fiscal year is the calendar year.

d) Method of Accounting

The funds and accounts of the Authority are maintained on the modified accrual basis. Revenues are recognized in the accounting period in which they become available and measurable. Expenditures are

recognized in the accounting period in which the fund liability is incurred, except for unmatured bond interest in the Sinking Fund Bond Interest Accounts which are recognized when due.

e) Depreciation

In accordance with the provisions of the respective Trust Agreements, depreciation of the Turnpike, Tunnels and related facilities is not included as an operating expense or otherwise provided. The costs of extraordinary maintenance, repairs and equipment replacements, deemed necessary to maintain such facilities, are charged to the Replacement Reserve Funds.

f) Inventories

Inventories consist primarily of sodium chloride, calcium chloride, sand, bulk gasoline and highway guard-rail. Inventories are valued at cost utilizing the FIFO method.

g) Investments

Investments are recorded at amortized cost and booked amounts approximate market values.

h) Cost of Projects

The cost of Authority projects includes all costs for acquisition and construction, legal expenses and fees, financing charges, preparation and issuance of bonds, and other items of expense defined in and authorized by the Trust Agreements.

i) Revenues

All revenues received by the Authority are deposited with the First National Bank of Boston, Trustee, or other authorized bank depositories, and are held in trust and applied in accordance with the provisions of the respective Trust Agreements. All revenues deposited with the Trustee, or any other depository, are continuously secured for the benefit of the Authority and bondholders by marketable securities eligible as security for the deposit of trust funds and are approved and held by the First National Bank of Boston, Trustee. On or before the fifteenth day of each month, all monies held for the credit of the revenue funds on the last day of the preceding month, less an amount held in reserve for current expenses, are transferred by the Trustee and credited to the following accounts or funds:

1) To the Sinking Fund Bond Interest Accounts, such amounts, if any, as may be required to make the balances therein equal to the amount of interest which will become payable within the next ensuing six months on all bonds outstanding;

2) To the Replacement Reserve Funds, such amounts, if any, as may be required to make the amounts deposited in each fiscal year equal to the amounts recommended by the Consulting Engineers;

3) To the Sinking Fund Reserve Accounts, such amounts, if any, as may be required to make the amount equal to the interest reserve requirements specified in the Trust Agreements;

4) To the Redemption Accounts, the balance, if any, remaining after deposits made under clauses 1, 2 and 3 above.

j) Operating Expenses

The term "current expenses" (operating expenses) as defined in the Trust Agreements excludes any extraordinary maintenance or repair, allowance for depreciation, or debt service. The Trust Agreements provide that the Authority will on or before the first day of each fiscal year adopt annual budgets. The annual budgets of operating expenses for fiscal year 1988 and 1987 for the two facilities totalled \$50,745,000 and \$44,587,000 as compared to actual expenditures of \$50,742,680 and \$44,571,235, respectively.

k) Replacement Reserve Funds

These funds are held for the purpose of providing for the costs of resurfacing, replacement or reconstruction, unusual or extraordinary maintenance or repairs, renewals and replacements, the cost of replacing equipment, engineering expenses and premiums on insurance carried under the provisions of the Trust Agreements. The Consulting Engineers are required annually to inspect the Authority's facilities and report to the Authority their findings and recommendations as to: (a) estimate of the amount necessary for proper maintenance, repair and operation during the ensuing fiscal year, (b) insurance to be carried under the provisions of the Trust Agreements and (c) amounts to be deposited during the ensuing fiscal year to the credit of the Replacement Reserve Funds. For fiscal year 1988 and 1987, the Consulting Engineers recommended the following amounts to be deposited to the two funds, and such amounts were so deposited: Massachusetts Turnpike \$33,400,000 and \$28,500,000 and the Callahan-Sumner Tunnels \$1,000,000 and \$1,000,000, respectively.

The estimated value of contracts outstanding for major repairs, renewals, and replacement programs for the Massachusetts Turnpike was \$5,484,000 as of December 31, 1988. There were no outstanding contracts for the Callahan-Sumner Tunnels as of the same date. On December 31, 1987 the value of contracts outstanding was \$12,770,000 and \$20,000 for the Massachusetts Turnpike and Callahan-Sumner Tunnels respectively.

l) Construction Fund (Turnpike Improvement Revenue Bonds, 1986 Series A)

In 1986, \$40,000,000 of term bonds were issued to finance a portion of the cost of improvements to the Massachusetts Turnpike under the Supplemental Trust Agreement dated as of January 1, 1962, between the Authority and the Trustee, and the series resolution adopted by the Authority on July 16, 1986. The bonds constitute a special obligation of the Massachusetts Turnpike and will be payable solely from net revenues of the Massachusetts Turnpike. As of December 31, 1988 the value of contracts outstanding was \$260,000.

4 Cash and Investments — By Fund

The following summarizes the cash and investments as of December 31, 1988 and 1987 by various funds and accounts established under the respective Trust Agreements:

CASH AND INVESTMENTS		1988	1987
MASSACHUSETTS TURNPIKE			
Revenue Fund	\$	10,325,608	\$ 10,503,199
Sinking Fund			
Bond Interest Accounts		5,126,465	5,490,440
General Reserve Account		9,451,958	10,624,245
Redemption Account		5,615,928	5,600,406
Replacement Reserve Fund		25,252,833	23,363,749
1986 Series A Construction Fund		37,770,536	38,506,935
Totals — Turnpike	\$	93,543,328	\$ 94,088,974
CALLAHAN-SUMNER TUNNELS			
Revenue Fund	\$	1,271,127	\$ 1,235,370
Sinking Fund			
Bond Interest Accounts		110,118	163,140
General Reserve Account		3,833,983	4,154,091
Redemption Account		3,119	171,352
Replacement Reserve Fund		2,486,840	2,251,039
Totals — Tunnels	\$	7,705,187	\$ 7,974,992
Combined Totals	\$	101,248,515	\$ 102,063,966

The following summarizes the Authority's cash and investments held as of December 31, 1988 and 1987:

	1988		1987	
	Massachusetts Turnpike	Callahan- Sumner Tunnels	Massachusetts Turnpike	Callahan- Sumner Tunnels
Cash — operating, toll depository and bond interest accounts	\$7,290,590	\$751,108	\$12,118,042	\$831,275
Investments				
U.S. Treasury Bills and Notes	76,473,663	6,424,079	79,443,738	6,698,717
Repurchase Agreements	6,235,013	530,000	2,195,000	445,000
Money Market Accounts	3,544,062		332,194	
Carrying amount December 31	\$93,543,328	\$7,705,187	\$94,088,974	\$7,974,992
Market Value Reserves December 31	\$92,963,023	\$7,705,457	\$94,269,542	\$8,020,835

In accordance with Section 601 of the respective Trust Agreements, all the Authority's cash and investments are insured, registered and/or collateralized with securities held on behalf of the Massachusetts Turnpike Authority by the Authority's Trustee, the Bank of Boston (First National Bank of Boston) and other authorized depositories.

5 Net Revenues and Sinking Fund Requirements

In fiscal years 1988 and 1987, the Authority's entities met the net revenue and sinking fund requirements referred to in Sections 501 and 811 of the respective Trust Agreements.

6 Pension Costs

By the enactment of Chapter 597 of the Acts of 1967, and acceptance thereof by the Authority, the Massachusetts Turnpike Authority Employees' Retirement System was created. Accordingly, effective July 1, 1968, employees of the Authority are entitled to retirement benefits in accordance with the provisions of the Massachusetts Contributory Retirement Law (Chapter 32 of the General Laws, Sections 1-28). Pursuant to Section 22 (7)(e) as amended, the Authority is required to pay annually to the Massachusetts Turnpike Authority Employees' Retirement System, amounts determined by the Division of Public Employees' Retirement Administration (PERA) as necessary for payment of pension benefits to retired employees of the Authority and their beneficiaries and for expenses of said system.

As of January 1, 1988, the Authority's actuarial consultant estimated the unfunded frozen actuarial liability for the Authority to be \$24,100,000. By the enactment of Chapter 566 of the Acts of 1978, amending Chapter 32 of the General Laws, provision was made for funding the Massachusetts Turnpike Authority Employees' Retirement System. Under this Amendment, the Authority is required to fund the sum of (a) the normal pension cost for the current year, and (b) an amount sufficient to amortize unfunded past service liability prior to dissolution of the Authority.

During fiscal years 1988 and 1987, \$3,312,445 and \$2,591,580 were expensed to the Retirement system for the Pension and Expense Funds, and \$1,448,091 and \$1,191,823 to the Pension Reserve Fund for past service liability, respectively.

7 Retirees Group Medical Benefits

The Authority provides certain health care benefits for retired employees. The cost of retiree health care benefits is recognized as expense when paid. As of December 31, 1988, the Authority's actuarial consultant estimated the present value of the total cost of the unfunded retiree health benefits program to be approximately \$24,600,000.

8 Deferred Compensation Plan

In 1981, the Authority adopted the Massachusetts Turnpike Authority Deferred Compensation Plan (Plan), whereby an employee who elects to participate may defer the receipt of specified amount of compensation. Such deferred compensation is payable to the participant on retirement, death, disability or financial hardship. In 1981, the Authority, entered into an agreement with Aetna Life Insurance and Annuity Company to perform for the Authority certain functions in the implementation and continuing operation of the Plan.

For accounting purposes, the assets and liabilities of the Plan are recorded at market value. As of December 31, 1988 and 1987, the value of the Plan was \$3,813,219 and \$2,946,638, respectively.

9 Lease and Installment Purchase Commitments

The Authority has entered into the following lease and installment purchase agreements which were in full force and effect as of December 31, 1988 and 1987.

a) Lease of Administrative Offices located at the State Transportation Building in the City of Boston for the six year period expiring June 30, 1994.

b) Lease agreement providing for rental of automatic toll collection equipment located at the Massachusetts Turnpike and the Callahan-Sumner Tunnels. The original lease agreements have been extended for a period expiring February 28, 1990 for the Massachusetts Turnpike, and May 21, 1989 for the Callahan-Sumner Tunnels.

c) Computerized Toll Collection System Lease Purchase agreement, commencing November 13, 1986, to finance the acquisition of a computerized toll collection system. Monthly installments of \$173,367 payable over 60 months ending November 1991.

d) The Authority entered into a Lease Purchase agreement, commencing August 28, 1987, to acquire a Computer System and peripheral equipment. Monthly installments are payable over 24 months ending August 1, 1989.

e) Lease Purchase agreement, financing heavy motor equipment requirements, for the term of five years commencing January 1, 1988, with monthly payments of \$78,000.

Summary of Minimum lease purchase commitments (items 9(a)-(e)) to be paid over the next five years are as follows:

Year Ending December 31	Total
1989	\$3,698,000
1990	3,393,000
1991	3,178,000
1992	1,267,000
1993	338,000

10 Callahan-Sumner Tunnels Bond Redemption

The balance of outstanding Callahan-Sumner Tunnels 4.75% Series 1959 Tunnel Revenue bonds due April 1, 1999 was \$3,999,000 as of December 31, 1988. On January 10, 1989, the First National Bank of Boston, Trustee, certified to the Authority that as of January 3, 1989 sufficient monies were held in trust for payment of principal and interest on all outstanding Tunnel Revenue bonds. The Authority issued irrevocable instructions to the Trustee to call all of said bonds for redemption on March 1, 1989.

Section 16 of the Tunnel Enabling Act, Chapter 598, of the Acts of 1958 provides that once the Callahan-Sumner Tunnel bonds have been paid in full, the Tunnels, if then in good condition and repair to the satisfaction of the Massachusetts Department of Public Works, shall become a part of the state highway system. The Massachusetts Department of Public Works has notified the Authority in writing that the present condition and repair of the Tunnels is not acceptable to the Department of Public Works and that significant maintenance and repairs must be completed by the Authority before the Department will consider whether to accept the Tunnels as part of the state highway system. The Authority's engineers have conducted a

review of the Tunnels and estimate that approximately \$58,400,000 (in 1990 construction dollars) will be required for completion of repairs and improvements to the Tunnels. Of such amount, \$43,000,000 is required for Tunnels projects, approximately \$2,500,000 for equipment and approximately \$12,900,000 for engineering and contingencies.

11 Contingent Liabilities

The Authority is contingently liable under pending litigation and/or claims in which the Authority is the defendant. In the opinion of the Authority and legal counsel, the total potential liability of such actions would not materially affect its financial statements.

MASSACHUSETTS TURNPIKE AUTHORITY

MASSACHUSETTS TURNPIKE

Financial Results of Operation 1982-1988 - Schedule 1

	1982	1983	1984	1985	1986	1987	1988
(Dollars in Thousands)							
Gross Toll Revenue	\$ 65,552	\$ 70,247	\$ 75,946	\$ 80,446	\$ 85,433	\$ 90,106	\$ 94,487
Less Volume Discounts	(467)	(490)	(542)	(547)	(600)	(623)	(652)
Net Toll Revenue	\$ 65,085	\$ 69,757	\$ 75,404	\$ 79,899	\$ 84,833	\$ 89,483	\$ 93,835
Restaurant Revenue	1,018	1,080	1,150	1,475	1,783	1,949	2,487
Service Station Revenue	1,248	1,321	1,369	1,404	1,495	1,706	1,747
Miscellaneous	1,758	1,927	1,977	2,064	2,517	3,152	3,061
Income from Investments	4,274	4,246	4,548	3,476	3,101	3,173	3,453
Gross Revenues	\$ 73,383	\$ 78,331	\$ 84,448	\$ 88,318	\$ 93,729	\$ 99,463	\$ 104,583
Operating Expenses	\$ 25,835	\$ 27,983	\$ 30,618	\$ 32,262	\$ 35,898	\$ 38,275	\$ 43,444
Net Revenues	\$ 47,548	\$ 50,348	\$ 53,830	\$ 56,056	\$ 57,831	\$ 61,188	\$ 61,139
Bond Interest Requirements	\$ 11,166	\$ 10,413	\$ 10,970	\$ 9,938	\$ 9,129	\$ 8,355	\$ 7,413
Percent of Interest Earned	425.83	483.49	490.69	564.08	633.50	732.37	824.75
Deposits to Replacement Reserve	\$ 11,500	\$ 11,500	\$ 15,500	\$ 27,000	\$ 28,400	\$ 28,500	\$ 33,400
Revenue Bonds							
Retired During Year	\$ 21,682	\$ 30,332	\$ 27,924	\$ 18,033	\$ 15,520	\$ 18,360	\$ 17,509
Average Price Paid	\$ 99.48	\$ 100.86	\$ 100.70	\$ 99.30	\$ 104.07	\$ 105.52	\$ 106.01
Retired to Date	\$ 223,668	\$ 254,000	\$ 281,924	\$ 299,956	\$ 315,476	\$ 333,836	\$ 351,345
Percent Retired to Date	47.4	53.8	56.4	60.0	58.5	61.9	65.1
Bonds Outstanding	\$ 248,332	\$ 218,000	\$ 217,676	\$ 199,644	\$ 224,124	\$ 205,764	\$ 188,255

MASSACHUSETTS TURNPIKE AUTHORITY
CLASS COMPARISON — MASSACHUSETTS TURNPIKE
January-December 1988 vs January-December 1987 - Schedule 2

Class Description	Transactions		Increase or		Gross Revenue		Increase or	
	1988	1987	(Decrease)	%	1988	1987	(Decrease)	%
1. Passenger Vehicle or Light Truck (Taxis, Suburbans, Ambulances, Motorcycles, Hearses)	125,013,178	119,046,124	5,967,054	5.0	\$72,222,301	\$68,504,944	\$3,717,357	5.4
2. Passenger Vehicle or Light Truck with One or Two-Axle Trailers	331,915	321,345	10,570	3.3	443,892	431,720	12,172	2.8
3. Trucks — Five or More Axles	4,325,580	4,163,611	161,969	3.9	13,688,142	13,030,983	657,159	5.0
5. Medium Trucks — Dual Tires with Two Axles	2,634,226	2,543,353	90,873	3.6	2,655,725	2,559,877	95,848	3.7
6. Trucks — Three Axles	611,738	587,311	24,427	4.2	782,164	739,332	42,832	5.8
7. Trucks — Four Axles	938,219	984,203	(45,984)	(4.7)	2,145,762	2,217,321	(71,559)	(3.2)
8. Buses	753,938	799,127	(45,189)	(5.7)	793,345	811,457	(18,112)	(2.2)
9. Tandem Trailers — Units	242,272	227,782	14,490	6.4	1,756,296	1,810,583	(54,287)	(3.0)
10. Non-Revenue	573,154	567,088	6,066	1.1				
Totals	135,424,220	129,239,944	6,184,276	4.8	\$94,487,627	\$90,106,217	\$4,381,410	4.9

MASSACHUSETTS TURNPIKE AUTHORITY
CALLAHAN-SUMNER TUNNELS
Financial Results of Operation 1982-1988 - Schedule 3

	1982	1983	1984	1985	1986	1987	1988
(Dollars in Thousands)							
Net Toll Revenue	\$ 8,293	\$ 8,566	\$ 8,973	\$ 9,189	\$ 9,453	\$ 9,617	\$ 9,763
Rental & Miscellaneous Income	83	73	69	74	74	82	95
Income from Investments	788	754	727	703	625	534	509
Gross Revenues	\$ 9,164	\$ 9,393	\$ 9,769	\$ 9,966	\$10,152	\$10,233	\$10,367
Operating Expenses	\$ 4,585	\$ 4,695	\$ 4,951	\$ 5,127	\$ 5,627	\$ 6,296	\$ 7,298
Net Revenues	\$ 4,579	\$ 4,698	\$ 4,818	\$ 4,839	\$ 4,525	\$ 3,937	\$ 3,069
Bond Interest Requirements	\$ 979	\$ 870	\$ 730	\$ 589	\$ 470	\$ 364	\$ 256
Percent of Interest Earned	467.86	540.05	660.09	822.18	962.41	1,081.73	1,200.66
Deposits to Replacement Reserve	\$ 2,000	\$ 900	\$ 1,000	\$ 1,340	\$ 1,500	\$ 1,000	\$ 1,000
Revenue Bonds							
Retired During Year	\$ 1,529	\$ 3,095	\$ 2,899	\$ 2,884	\$ 2,538	\$ 1,929	\$ 2,219
Average Price Paid	\$ 88.65	\$ 95.37	\$ 95.83	\$ 97.41	\$ 98.53	\$ 99.77	\$100.74
Retired to Date	\$34,837	\$37,932	\$40,831	\$43,715	\$46,253	\$48,182	\$50,401
Percent Retired to Date	64.0	70.0	75.1	80.4	85.0	88.6	92.6
Bonds Outstanding	\$19,563	\$16,468	\$13,569	\$10,685	\$ 8,147	\$ 6,218	\$ 3,999

MASSACHUSETTS TURNPIKE AUTHORITY
CLASS COMPARISON — CALLAHAN-SUMNER TUNNELS
January-December 1988 vs January-December 1987 - Schedule 4

Class Description	Transactions*		Increase or		Gross Revenue		Increase or	
	1988	1987	(Decrease)	%	1988	1987	(Decrease)	%
1. Passenger Car, Taxi Light Truck, Ambulances, Motorcycle, Hearse, Car Pools	14,865,697	14,710,941	154,756	1.1	\$8,916,781	\$8,823,165	\$93,616	1.1
2. Passenger Car with Single Axle Trailer, Tow Axle Single Tire Truck with Single-Axle Trailer	4,262	4,280	(18)	(0.4)	3,412	3,424	(12)	(0.4)
4. Trucks - Five or More Axles	17,971	22,632	(4,661)	(20.6)	19,767	24,895	(5,128)	(20.6)
5. Two Axle Dual-Tire Truck	217,615	216,535	1,080	0.5	174,094	173,228	866	0.5
6. Three Axle Truck, Two Axle Dual-Tire Truck with Single Axle Trailer	20,931	21,956	(1,025)	(4.7)	18,838	19,760	(922)	(4.7)
7. Four Axle Truck with Class 1 or without Trailer, Vehicle with Two-Axle Trailer	40,523	40,055	468	1.2	40,523	40,055	468	1.2
8. Bus	124,072	116,083	7,989	6.9	74,442	69,650	4,792	6.9
9. Commuter	1,301,592	1,181,797	119,795	10.1	520,636	472,719	47,917	10.1
10. Non-Revenue	143,257	138,817	4,440	3.2				
Totals	16,735,920	16,453,096	282,824	1.7	\$9,768,493	\$9,626,896	\$141,597	1.5

* Indicates one-way toll traffic (effective May 1983)

MASSACHUSETTS TURNPIKE AUTHORITY
MASSACHUSETTS TURNPIKE COMPARISON OF INTERCHANGE TRANSACTIONS
January-December 1988 vs January-December 1987 - Schedule 5

Ticket Controlled Section Interchange	No.	Entrance		Increase or (Decrease)	%	Exit		Increase or (Decrease)	%
		1988	1987			1988	1987		
W. Stockbridge	1.	2,938,368	2,777,892	160,476	5.8	2,933,722	2,744,761	188,961	6.9
Lee	2.	1,461,958	1,410,393	51,565	3.7	1,503,934	1,452,847	51,087	3.5
Westfield	3.	2,134,311	2,022,041	112,270	5.6	2,178,504	2,065,778	112,726	5.5
W. Springfield	4.	3,700,197	3,505,778	194,419	5.5	3,781,293	3,584,795	196,498	5.5
Chicopee	5.	1,882,184	1,698,375	183,809	10.8	1,747,018	1,591,136	155,882	9.8
Springfield	6.	3,120,900	2,937,204	183,696	6.3	3,210,644	3,000,496	210,148	7.0
Ludlow	7.	1,720,583	1,592,249	128,334	8.1	1,638,249	1,523,925	114,324	7.5
Palmer	8.	2,140,942	2,001,749	139,193	7.0	2,109,711	1,974,080	135,631	6.9
Sturbridge	9.	6,960,703	6,526,044	434,659	6.7	6,967,287	6,559,251	408,036	6.2
Auburn	10.	6,161,561	5,756,708	404,853	7.0	6,082,132	5,667,542	414,590	7.3
Millbury	11.	1,902,698	1,768,505	134,193	7.6	2,003,059	1,884,956	118,103	6.3
Westborough	11.A	6,903,767	6,398,155	505,612	7.9	6,638,517	6,138,879	499,638	8.1
Framingham	12.	3,855,747	3,687,957	167,790	4.5	4,185,453	3,989,200	196,253	4.9
Natick	13.	6,763,028	6,613,235	149,793	2.3	6,865,543	6,742,485	123,058	1.8
Weston	14.	8,711,149	8,332,142	379,007	4.5	8,321,714	7,915,634	406,080	5.1
Newton	15.	8,714,837	8,432,828	282,009	3.3	8,906,153	8,625,490	280,663	3.3
Total Ticket Controlled Section		69,072,933	65,461,255	3,611,678	5.5	69,072,933	65,461,255	3,611,678	5.5
Barrier Controlled Section									
Newton - 128	15.					14,757,767	14,265,109	492,658	3.5
West Newton	16.					3,991,264	3,784,698	206,566	5.5
Allston									
Off East - On West	18.					11,524,313	10,947,224	577,089	5.3
Thru Traffic	19.					26,129,753	25,237,369	892,384	3.5
Off West - On East	20.					9,948,190	9,544,289	403,901	4.2
Total Barrier Controlled Section						66,351,287	63,778,689	2,572,598	4.0
Totals Massachusetts Turnpike						135,424,220	129,239,944	6,184,276	4.8

MASSACHUSETTS TURNPIKE AUTHORITY
MASSACHUSETTS TURNPIKE COMPARISON OF INTERCHANGE REVENUE
January-December 1988 vs January-December 1987 - Schedule 6

Ticket Controlled Section Interchange	No.	Gross Revenue		Increase or (Decrease)	%
		1988	1987		
W. Stockbridge	1.	\$ 8,751,075	\$ 8,296,818	\$ 454,257	5.5
Lee	2.	2,216,780	2,179,158	37,622	1.7
Westfield	3.	1,345,517	1,282,783	62,734	4.9
W. Springfield	4.	3,829,279	3,613,032	216,247	6.0
Chicopee	5.	1,052,112	959,926	92,186	9.6
Springfield	6.	3,764,200	3,605,089	159,111	4.4
Ludlow	7.	1,063,984	1,003,986	59,998	6.0
Palmer	8.	1,578,999	1,475,914	103,085	7.0
Sturbridge	9.	8,095,426	7,662,397	433,029	5.7
Auburn	10.	7,024,980	6,521,931	503,049	7.7
Millbury	11.	1,807,894	1,719,822	88,072	5.1
Westborough	11.A	6,827,072	6,316,269	510,803	8.1
Framingham	12.	2,266,640	2,209,464	57,176	2.6
Natick	13.	3,239,867	3,171,323	68,544	2.2
Weston	14.	8,447,914	8,034,122	413,792	5.2
Newton	15.	9,677,622	9,392,083	285,539	3.0
Total Ticket Controlled Section		\$ 70,989,361	\$ 67,444,117	\$ 3,545,244	5.3
Barrier Controlled Section					
Newton - 128	15.	\$ 5,235,743	\$ 5,062,411	\$ 173,332	3.4
West Newton Allston	16.	795,049	753,565	41,484	5.5
Off East - On West	18.	2,971,851	2,834,952	136,899	4.8
Thru Traffic	19.	10,869,181	10,516,684	352,497	3.4
Off West - On East	20.	3,583,668	3,450,553	133,115	3.9
Total Barrier Controlled Section		\$ 23,455,492	\$ 22,618,165	\$ 837,327	3.7
Car Pool Program		\$ 42,774	\$ 43,935	\$ (1,161)	(2.6)
Totals Massachusetts Turnpike		\$ 94,487,627	\$ 90,106,217	\$ 4,381,410	4.9

EMPLOYEES' RETIREMENT SYSTEM

MASSACHUSETTS TURNPIKE AUTHORITY EMPLOYEES' RETIREMENT SYSTEM

128 NORTH STREET
BOSTON, MASSACHUSETTS 02109

STANLEY J. BRITTON
EX-OFFICIO-CHAIRMAN

J. JOSEPH MALONEY
APPOINTED MEMBER

FRANCIS M. HOEY
ELECTED MEMBER

GERALD F. COUGHLIN
SECRETARY



TEL. 973-8059

Allan R. McKinnon, Chairman
Massachusetts Turnpike Authority
State Transportation Building
10 Park Plaza, Suite 5170
Boston, Massachusetts 02116

Dear Mr. Chairman:

In accordance with the provisions of section 20, subsection 5, paragraph (i) of Chapter 32 of the General Laws, we are pleased to submit herewith, for publication in the Massachusetts Turnpike Authority Annual Report to the Governor and General Court, a copy of the report of the financial condition of the Massachusetts Turnpike Authority Employees' Retirement System as of December 31, 1988.



MASSACHUSETTS
• TURNPIKE •
AUTHORITY

S. J. BRITTON
Ex-officio - Chairman

J. JOSEPH MALONEY
Appointed Member

FRANCIS M. HOEY
Elected Member

MASSACHUSETTS TURNPIKE AUTHORITY
EMPLOYEES' RETIREMENT SYSTEM STATEMENT OF CONDITION
As of December 31, 1988

*(unaudited)	COMBINED STATEMENT		MASSACHUSETTS TURNPIKE		CALLAHAN-SUMNER TUNNELS	
ASSETS	1988	1987	1988	1987	1988	1987
Cash & short-term investments	\$8,399,581	\$5,855,591	\$5,726,669	\$4,357,811	\$2,672,912	\$1,497,780
Fixed income securities	39,861,307	32,094,269	34,874,082	27,242,095	4,987,225	4,852,174
Equities	2,588,500	4,505,988	2,093,000	4,115,238	495,500	390,750
Principal adjustment account	226,679	260,802	211,211	242,954	15,468	17,848
Accrued interest on investments	1,226,966	946,524	1,082,809	802,628	144,157	143,896
Accounts receivable	108,127	509,112	31,055	504,971	77,072	4,141
Total Assets	\$52,411,160	\$44,172,286	\$44,018,826	\$37,265,697	\$8,392,334	\$6,906,589

FUNDS AND LIABILITIES

Annuity Savings Fund	\$13,108,997	\$11,836,127	\$11,343,007	\$10,282,633	\$1,765,990	\$1,553,494
Annuity Reserve Fund	3,400,861	2,617,615	2,951,496	2,248,162	449,365	369,453
Pension Fund	425,050	70,287	269,310	(24,421)	155,740	94,708
Expense Fund	100,901	95,579	92,430	86,478	8,471	9,101
Pension Reserve Fund	35,277,882	29,552,678	29,362,583	24,672,845	5,915,299	4,879,833
Accounts payable	97,469				97,469	
Total Assets	\$52,411,160	\$44,172,286	\$44,018,826	\$37,265,697	\$8,392,334	\$6,906,589

*See Notes to Financial Statements

MASSACHUSETTS TURNPIKE AUTHORITY
EMPLOYEES' RETIREMENT SYSTEM STATEMENT OF RECEIPTS AND DISBURSEMENTS
For the Year Ended December 31, 1988

(UNAUDITED)

1988

1987

	COMBINED STATEMENT	MASSACHUSETTS TURNPIKE	CALLAHAN- SUMNER TUNNELS	COMBINED STATEMENT*
Cash & short-term cash available investments, January 1, 1988	\$ 5,855,591	\$ 4,306,003	\$ 1,549,588	\$ 7,091,436
RECEIPTS				
Members' contributions	\$ 1,635,589	\$ 1,407,438	\$ 228,151	\$ 1,490,231
Transfers from other systems	40,137	37,017	3,120	122,050
Pension reimbursement from other systems	56,948	54,813	2,135	85,068
Pension Fund appropriation	2,920,709	2,560,369	360,340	2,475,177
Expense Fund appropriation	140,300	126,300	14,000	111,200
Pension Reserve Fund appropriation	1,624,091	1,262,731	361,360	951,823
Workers, Compensation credits				5,203
Sale or maturity of investments	13,062,963	10,384,659	2,678,304	10,519,065
Net gain/(loss) on sale of investments	399,982	326,083	73,899	13,687
Investment income	4,272,530	3,629,048	643,482	3,722,970
Interfund securities transfers			545,574	
Total Receipts	\$ 24,153,249	\$ 19,788,458	\$ 4,910,365	\$ 19,496,474
DISBURSEMENTS				
Regular annuity payments	\$ 288,878	\$ 247,902	\$ 40,976	\$ 251,989
Option (b) annuity payments	102,127	97,180	4,947	53,310
Pension payments	2,821,382	2,449,353	372,029	2,539,831
Pension reimbursements to other systems	14,666	14,608	58	24,596
Refunds	198,235	176,694	21,541	256,682
Transfers to other systems	31,936	29,774	2,162	40,946
Administrative expenses	134,851	120,233	14,618	130,635
Investments	17,765,852	14,482,056	3,283,796	17,145,419
Accrued interest purchased	251,332	204,418	46,914	288,911
Interfund securities transfers		545,574		
Total Disbursements	\$ 21,609,259	\$ 18,367,792	\$ 3,787,041	\$ 20,732,319
Cash & short-term cash available investments, December 31, 1988	\$ 8,399,581	\$ 5,726,669	\$ 2,672,912	\$ 5,855,591

*See Notes to Financial Statements

EMPLOYEES' RETIREMENT SYSTEM

The Massachusetts Turnpike Authority Employees' Retirement System (the System) was established as a contributory retirement system subject to the provisions of Massachusetts General Laws, Chapter 32, sections 1-28, by the enactment of Chapter 597 of the Acts of 1967 and its acceptance by the Massachusetts Turnpike Authority. The operative date was July 1, 1968.

Membership in the System consists of retirees, and eligible active and former employees of both the Massachusetts Turnpike and the Callahan-Sumner Tunnels. The Massachusetts Turnpike and the Callahan-Sumner Tunnels are two separate and financially distinct toll facilities. Accordingly, all assets and liabilities of the System are separately identified and accounted for within the records of the System.

The System is managed by a board of three members, viz: S.J. Britton, secretary-treasurer of the Authority, member ex-officio and Chairman; Attorney J. Joseph Maloney, appointed member, who was first appointed by the Massachusetts Turnpike Authority on May 9, 1968 to take effect on July 1, 1968 and who has served consecutively since that date; and Francis M. Hoey, elected member, who is serving his eighth consecutive term following re-election by the membership in 1988.

Provision was made for funding of past service liability of the System by the enactment of Chapter 566 of the Acts of 1978. Under this amendment, the Massachusetts Turnpike Authority is required to fund and pay to the System the sum of (a) the normal pension cost for the current year, and (b) an amount sufficient to amortize unfunded past service liability prior to dissolution of the Authority. All such required payments to date have been transferred by the Massachusetts Turnpike Authority and credited to the System. As of January 1, 1988, the Authority's consultant estimated the unfunded frozen actuarial liability to be \$24,132,800 allocated as follows:

Massachusetts Turnpike	\$21,409,700
Callahan-Sumner Tunnels	2,723,100
Total	\$24,132,800

The enactment in December, 1983 of Chapter 661 of the Acts of 1983 significantly amended the provisions of Chapter 32, sections 1-28, relative to the administration, funding and investment policies of the public employee retirement systems in the Commonwealth of Massachusetts. Chapter 661 of the Acts of 1983 also requires each retirement system to establish a pension reserve fund for the purpose of meeting unfunded pension liabilities and, by various changes in existing law, made provision for certain internal transfers to the fund in addition to any direct appropriations by applicable legislative body. In accordance with this statutory requirement, the Board

dissolved the Past Service Liability Fund, which was established on the Books of the System on October 19, 1978, and transferred fund assets to the System's newly-established Pension Reserve Fund. ■

ACCOUNTING POLICIES

The accounting policies of the System are in accordance with Chapter 840, CMR (Commonwealth of Massachusetts Regulations), section 4:00, Financial Operations of Public Employee Retirement Systems effective January 1, 1987, promulgated by the Commissioner of the Division of Public Employee Retirement Administration (PERA), pursuant to M.G.L. Chapter 32, section 21, as amended. Additionally, effective May 1, 1987, internal supplemental accounting procedures were put into effect providing for the separation of the retirement funds of the Massachusetts Turnpike and the Callahan-Sumner Tunnels within the subsidiary ledgers of the System.

Prior to January 1, 1983, records of the System had been audited periodically by the Commonwealth of Massachusetts, Division of Insurance. Pursuant to Chapter 630 of the Acts of 1982, supervision of the public employee retirement systems in the Commonwealth subject to Chapter 32, including the conduct of audits, was transferred from the Division of Insurance to PERA. The last such audit of the records of the System for the period January 1, 1984 through December 31, 1986 was conducted in March, 1988.

INVESTMENTS

In accordance with the provisions and limitations of M.G.L. Chapter 32, section 23, assets of the System are invested in U.S. Government securities, railroad equipment trust certificates, public utility, bank, industrial, and telephone company notes and bonds, guaranteed interest annuity contracts, mortgage loan pass through certificates, preferred stocks, and bank and insurance company common stock.

Notes and bonds are valued on an amortized cost basis, equities are valued at market, and other investments are carried at face value in the ledgers of the System.

Investment earnings for the year 1988 totalled \$4,683,953, representing a yield of 9.7% based on the mean ledger assets of the System. The earnings were applied to the funds of the System as follows:

	Massachusetts Turnpike	Callahan-Sumner Tunnels	Combined System
Annuity Savings Fund	\$509,614	\$76,149	\$585,763
Annuity Reserve Fund	76,467	11,427	87,894
Pension Reserve Fund	3,485,304	524,992	4,010,296
Total	\$4,071,385	\$612,568	\$4,683,953

BENEFITS

During 1988, 27 employees and 1 vested member inactive were retired by the Board, bringing to 624 the number of members who have been retired since the inception of the System in 1968. Retirement allowances totalling \$3,254,579 were paid in 1988 to retirees and beneficiaries of deceased members of

the System. Of this amount, \$391,005 were annuity payments (employee contributions and investment earnings thereon), and \$2,821,382 were pension payments (contributions by the Massachusetts Turnpike Authority).

SCHEDULE OF RETIREMENT ALLOWANCE PAYMENTS

Retirement Category	Annuity	Pension	Allowance	Percent of Payments
Superannuation/Termination	\$233,028	\$1,917,444	\$2,150,472	66%
Ordinary disability	17,392	272,185	289,577	9%
Accidental disability	11,454	214,143	267,789	8%
Survivors/beneficiaries	27,004	417,610	444,614	14%
Option (b) final payments	102,127		102,127	3%
Total payments	\$391,005	\$2,821,382	\$3,254,579	100%

Pension reimbursements in the amount of \$56,948 were received from other systems and pension reimbursements of \$14,966 were paid to other systems in 1988 for pension payments made in 1987. As of December 31, 1988, there were 379 retired members and 103 survivors and beneficiaries receiving benefits. ■





MASSACHUSETTS
• TURNPIKE •
AUTHORITY

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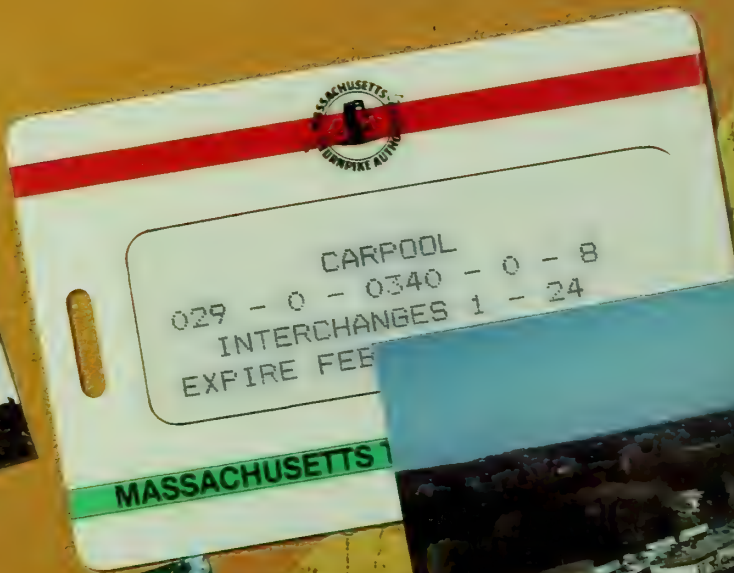
TOLL TICKET

15

NEWTON

COUNT YOUR CHANGE

TOLL TO EXIT INTERCHANGE	TOLL BY VEHICLE CLASS							
	1	2	3	5	6	7	8	
1. WEST SPRINGFIELD	3.90	4.75	6.55	30.8	0.09	0.07	75	
2. JEE	3.45	4.40	9.95	5.80	7.40	9.05	7.10	
3. WESTFIELD	2.60	3.40	7.55	4.40	5.60	6.85	5.40	
4. WEST SPRINGFIELD	2.45	3.20	7.15	4.15	5.20	6.45	5.10	
5. CHILMARK	2.35	3.10	6.90	3.95	5.05	6.20	4.90	
6. SPRINGFIELD	2.30	3.00	6.65	3.90	4.90	5.90	4.70	



**The Massachusetts Turnpike Authority
1989 Annual Report**

THE MASSACHUSETTS TURNPIKE AUTHORITY
1989 ANNUAL REPORT
OFFICE OF THE COMPTROLLER
TREASURY DEPARTMENT
BOSTON, MASSACHUSETTS

The Massachusetts Turnpike Authority

The Massachusetts Turnpike Authority was established in 1952 by the Massachusetts Legislature and charged with the construction, operation and maintenance of the Massachusetts Turnpike, a 135-mile toll highway running from the western border of Massachusetts to the City of Boston. In 1958, the Legislature authorized the Authority to construct the Callahan Tunnel and to operate and maintain the Sumner and Callahan Tunnels, one-mile harbor crossings connecting Boston with Logan Airport and the North Shore. All funds for the maintenance, capital improvement, operation and policing of these facilities, as well as the payment of principal and interest on bonds issued, are derived solely from tolls and other revenues generated by users. The Authority receives no state or federal tax dollars. It is entirely self-supporting, primarily through the collection of tolls.

The Authority is directed by a board of three members, one of whom is designated as Chairman, who are appointed by the Governor. The Chairman, as the one full-time member, serves as the Authority's Chief Executive Officer.

The Massachusetts Turnpike Authority

1989 Annual Report

<i>Board of Directors</i>	<i>Commonwealth of Massachusetts</i>	<i>Contents</i>
<i>Allan R. McKinnon Chairman</i>	<i>Michael S. Dukakis Governor</i>	<i>A Message from the Chairman 1</i>
<i>Ann M. Hershfang Vice Chairwoman</i>	<i>Frederick P. Salvucci Secretary of Transportation and Construction</i>	<i>The Massachusetts Turnpike— Serving the Commonwealth 3</i>
<i>Juan J. Evereteze Member</i>		<i>Fulfilling Our Mission— A Year of Achievement 7</i>
		<i>Board of Directors 24</i>
		<i>Financial Statements 25</i>

*The turnpike in
Western Massachu-
setts, near the
Appalachian Trail.*



A Message from the Chairman

Annual reports often refer to "milestone years" and measure success with a long list of accomplishments. While we plan to outline some of our recent achievements in this report, I also hope to communicate a sense of the character and judgment of those of us who are stewards of the Massachusetts Turnpike Authority. As we enter the 1990's, the Authority stands as a sound and capable public agency with a long tradition of integrity and dedication on the part of its board, executive staff



*Chairman Allan R.
McKinnon*

and employees. In concert with the devoted staff of the Authority, a new team of board members and senior managers share a vision of the future and the commitment to transform this vision into reality.

At the Authority, 1989 was about change—about looking forward and planning for the future. Although several valued members of our management team retired, the Authority was able to maintain a continuity of service. We developed an ambitious agenda for the next decade and beyond. We

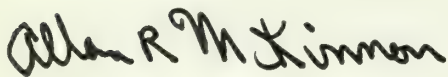
restructured our executive staff to make it more efficient and accountable. We adopted a tough Code of Conduct which sets clear standards for ethical behavior. We embarked on a \$58 million repair program for the Sumner and Callahan Tunnels and published a Critical Needs Report which outlined a \$603 million repair and reconstruction program for the aging turnpike. That report outlines an aggressive ten-year program which will include bridge reconstruction and roadway repair along the length of the turnpike with special emphasis on work from Route 495 to West Stockbridge.

As Chairman, my primary goals are safety and service. There can be no compromise on either issue. During my tenure, I have increased State Police personnel by 20%, upgraded our State Police truck weighing capacity and strengthened our Emergency Service Patrol. In addition, I opposed legislation that would have drastically increased allowable tandem truck weights and I opposed a proposal to raise the speed limit on the turnpike. This commitment to safety is paying off. Our safety record for 1989 was one of the best in the road's history.

I am equally committed to providing quality service to every motorist. That means courteous and efficient toll collection services, clean and attractive service and rest areas and the implementation of creative traffic management techniques to keep traffic moving. In addition to serving the motorists who use the road daily, the turnpike also is the gateway to Massachusetts for many out-of-state travellers. During the past year, the Authority assumed responsibility from the Commonwealth for the four tourist information centers along the turnpike. Today, we do our best to serve all of our turnpike patrons well and to make out-of-state travellers feel especially welcome in Massachusetts.

There's a lot more to do. We at the Massachusetts Turnpike Authority have the capability and the energy to meet the needs of an increasingly mobile society. Our pledge is that we will be careful and creative managers of this outstanding transportation network. We are committed to the prudent use of our financial resources, the implementation of innovative traffic management techniques and the rebuilding of our tunnels, roadway and bridges. We will ensure that the turnpike and tunnels continue to serve the public as a safe, efficient and economical transportation network.

A public authority may best be judged by its ability to perform well and by its vision for the future. If we are to maintain the confidence of the general public and of the motorists who use our turnpike and tunnels, we must be successful managers today and conscientious planners for the future. I believe that this annual report affirms that we are fully prepared to meet the public trust with energy, responsibility and enthusiasm.

A handwritten signature in black ink, reading "Allan R. McKinnon". The signature is written in a cursive, flowing style.

Allan R. McKinnon

Chairman

Learning from the Past

In 1989, public employees were challenged as never before to reexamine fundamental questions of public purpose, guiding mission and future role. These are fair and legitimate questions—questions that must be answered with confidence and assurance. At the Massachusetts Turnpike Authority, it is appropriate to look to the past and to use the clarity of history to put the present and future into focus.

In 1952, Governor Paul A. Dever's annual state of the state address focused on urgent public issues: services for

ent toll authority to construct and maintain this much needed expressway to be paid for by tolls collected from the users of this convenience." The Governor's message was well received and by May 20, 1952, the Boston Herald's front page carried the banner headline, "Senate Votes Toll Road/Route to New York Now Assured."

The 1950's were heady days for the Commonwealth and for the country. Post-war Americans were ready to explore their nation's fullest potential. Their vision was broad and ambitious, but it was sometimes beyond their reach. There were limits to how much support government could provide. Tax reve-

The turnpike stretches across the state for 135 miles from West Stockbridge to Boston.



Korean War veterans, programs of civil defense, a plan for the fair administration of justice and the need for significant investment in the state's transportation system. Governor Dever voiced a vision of a safe high speed connection between the New York border and Boston Harbor. He said of his transportation program, "I shall include a proposed eight-lane divided east-west toll highway across the entire state. I recommend the creation of an independ-

nues in the 1950's—like tax revenues today—could only stretch so far. After committing unprecedented sums to highway bond issues, the stark reality was that more money was required to fulfill the Commonwealth's transportation goals. The need for an express highway integrating the existing system of state roadways and connecting Massachusetts from east to west was indisputable. The Massachusetts Turnpike Authority was born out of this demand

for a critical public works project in a time of diminished tax revenue.

The idea of a public transportation authority was not untested. In Maine and New Jersey, newly created authorities managed the construction of high speed toll roads. In New York, Robert Moses had already built the foundation of an innovative network of roadways, tunnels and bridges that was a marvel of modern transportation—all built with the funding resources of an independent authority. The concept of the authority as a vital public institution and a self-funding mechanism whose revenues were solely generated by tolls fit the needs of the times. Authorities required absolutely no state or federal tax dollars. Just as it worked for Maine, New York, New Jersey and so many other states, it was a system that worked for Massachusetts. The interstate highway network it helped to build contributed enormously to the nation's economic and industrial strength in the post-war era.

The challenges that confront state government today—especially the need to deliver quality services without creating additional financial demands—are not new. One answer that has stood the test of time was the establishment of the Massachusetts Turnpike Authority. The Authority has built and maintained for more than thirty years 1,100 lane miles of roadway, 260 bridges and two harbor tunnels without using tax dollars. The Authority operates on the simple and equitable system that the user, and only the user, pays for the service.

Managing the Present

The primary charge of the Authority is managing the operation and maintenance of the Massachusetts Turnpike and the Callahan and Sumner Tunnels. These major transportation facilities require the constant efforts of a highly capable work force accountable on a daily basis to the many patrons of the turnpike and tunnels.

Last year, the turnpike and tunnels carried nearly a quarter of a billion persons to destinations across the Commonwealth. These facilities are major links in a vital transportation system that keeps the state's economy moving.

Managing this complex system means many things. It means an aggressive annual maintenance program in combination with reconstruction and

Administrative staff, standing left to right, Kay McCluskey; Carolyn Wilkins; Kerry Langdon; Ann Carley; Joan DeBeasi. Seated left to right, Maureen Collins; Nelleen Knight.



rehabilitation projects. It means keeping the highway and the tunnels working without interruption even during hectic holidays and harsh snowstorms. It means the prudent investment and effective use of revenues. And it means a strong commitment to research, develop and implement innovative programs of highway safety and traffic management.

Finally, managing well means listening well. The Authority is committed to responding to the concerns of communities which border the turnpike across the state. This is a challenging task, given the diversity and the varied needs of cities and towns ranging from Boston to West Stockbridge. To support this commitment, the Authority is engaged in an active program of community outreach. In 1989, numerous board and community meetings were held in Western and Central Massachusetts. These meetings were used to solicit the opinions of local residents on various programs proposed by the Authority and to enlarge the exchange of information between the Authority and the people it serves.

Preparing for the Future— A Decade of Challenge

To maintain the quality of its facilities and to meet the challenges of the future, the Authority is actively preparing for the 1990's and beyond. As its roadways, bridges and tunnels become older, the Authority must significantly increase the pace of its capital improvement, maintenance and rehabilitation programs to ensure the safety of its facilities for all who use them. Traffic increases yearly, putting a higher level of stress on roadways, bridges and tunnels. The Authority must meet increased demand with forward-looking transportation management strategies to accommodate ever-increasing traffic within the constraints of its right-of-way.

The Authority undertook several major planning initiatives in 1989 to ensure that its transportation network remains fully responsive to the needs of those it serves—the residents and businesses of Massachusetts as well as visitors from out-of-state. Planning for the future will require the identification of imaginative solutions that meet the needs of the next century. The Authority stands ready to meet this challenge and to ensure that the economic lifeline of the Commonwealth remains strong and vital.



*Working
Massachusetts
Moving—The
Turnpike's Ongoing
Maintenance and
Construction
Program*

In a race that never ends, the Authority's Construction Division often works around the clock in an effort to keep pace with the wear and tear on the turnpike and tunnels. The task is straightforward: providing ongoing reconstruction and maintenance to ensure the safe operation of 135 miles of highway, 260 bridges and two harbor tunnels. The challenge is enormous: coping with the rigors of harsh and unpredictable New England winters, the impact of millions of cars and hundreds of thousands of heavy trucks and the deterioration attendant to the natural aging process.

*Above, snow
removal convoy
moves out from
Weston facilities.*

*Right, snow plow
returning to garage
for maintenance
and cleaning.*



In 1989, the Authority awarded \$23 million in repair and reconstruction contracts. Examples of specific projects undertaken in 1989 include bridge deck repair in Boston, Westfield, Natick and Framingham; pavement repair in Stockbridge, Lee, Becket, Blandford and Russell; a traffic control signal system in Millbury; rock excavation in Grafton and Willbury; and fuel system replacement at Authority maintenance depots and police barracks.

As the Authority looks forward, one of its most important missions will be the implementation of an aggressive maintenance program in a context that is cost effective and committed to motorist safety.

Operations and Public Protection

Responsible for operating the Massachusetts Turnpike and the Sumner and Callahan Tunnels 24 hours a day, 365 days a year, Operations is the heart and soul of the Authority. This division maintains the roadways, bridges and tunnels; protects motorists' safety; collects tolls; and delivers roadway services efficiently. To provide greater efficiency and broader accountability, top-level Authority management was reorganized in 1989. As part of that restructuring, a new position, Director of Operations, was established. Several departments relating to the running of the Authority's facilities now fall under the Director of Operations including engineering, maintenance, toll collection, tunnel administration, data processing and the State Police.

A Milestone Report

In the fall, the Authority issued a milestone report entitled Critical Needs for the 1990's, documenting the need for an accelerated infrastructure investment program. Citing the turnpike's importance, Governor Dukakis called the initiative "a program that will guarantee us a first rate, east-west lifeline for commerce and industry and commuters for decades to come."

The report details \$603 million of work needed to maintain the safety and efficiency of the Massachusetts Turnpike. Opened in 1957, the roadway and bridges are more than 30 years old. Combine this aging of facilities with heavy auto and commercial traffic and

harsh New England winters and the need for an escalated repair and reconstruction program is clear. Turnpike traffic has increased 52% in the last ten years, reflecting the development of growing regional economies and residential communities along the turnpike corridor.

The Authority now faces its greatest challenge—ensuring that the structural integrity of the turnpike remains as secure in the future as it has in the past. Meeting this challenge will require substantial repair and replacement to accommodate the traffic demands of the 1990's and the 21st century. Most of the turnpike's 260 bridges are showing structural fatigue and need rehabilitation. Delays in repair will only exacerbate this condition. By identifying and implementing a comprehensive rebuilding program for the next decade, the Authority has taken a vital first step

Left to right, Bruce Grimaldi, Chief Engineer; Peter Matson, Chief Maintenance Engineer; John Grim, Assistant Chief Engineer; John Judge, Director of Operations.



toward meeting its challenge.

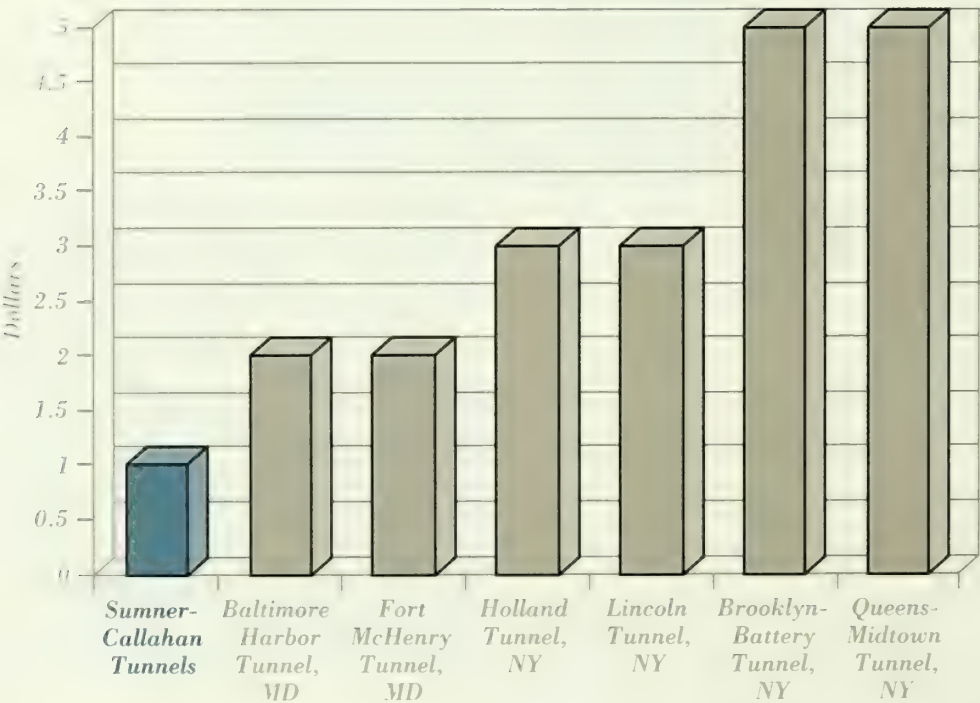
In the past, approximately one third of the Authority's income (\$30 million) has been set aside annually as the replacement reserve fund for repair projects. To accomplish this critical needs program, the Authority must at least double its capital expenditures annually. Such a program necessitated an increase in tolls since the Authority receives absolutely no state or federal money. Raising tolls is never easy but, with the serious safety issues involved, an increase was deemed imperative. To finance the critical needs program, tolls will be increased in March 1990 by an average of 30% for passenger cars and 50% for trucks. This will be the first toll increase on the turnpike in ten years.

Callahan-Sumner Tunnels Repair and Improvement Program

In 1989, the Authority initiated a major program to repair and renovate the

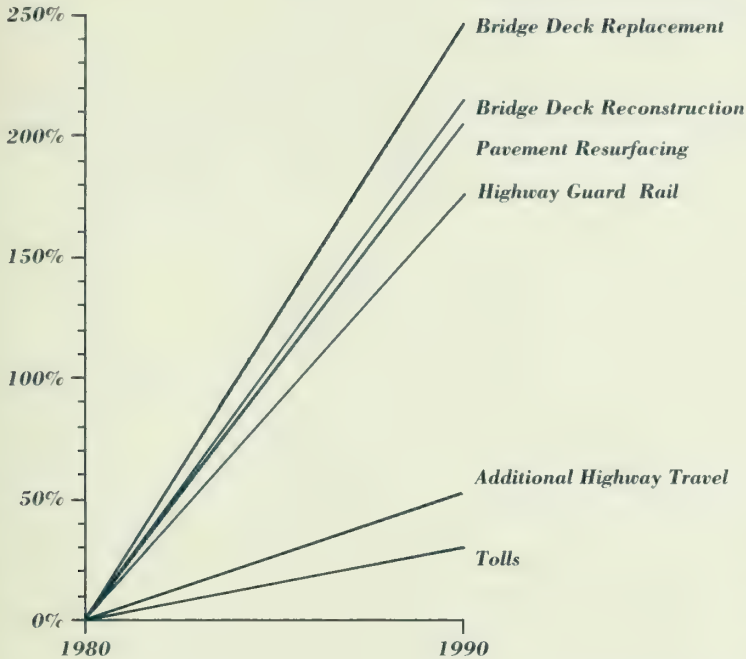
Callahan and Sumner Tunnels. This is the first significant and comprehensive tunnel repair program in nearly thirty years. Major elements of the program include ceiling repairs, tile replacement and ring repairs, reconstruction of the bench walls, renovation of the ventilation and air duct systems and repairs to the roadway. The first phase will begin in 1990 and will include the removal and safe disposal of PCB's from all tunnel transformers to bring the Authority into full compliance with all applicable state and federal environmental laws.

To finance the \$58 million Tunnel Repair and Improvement Program, the Authority instituted a 40-cent toll increase for the Callahan and Sumner Tunnels, resulting in the automobile round trip fare being raised from sixty cents to one dollar. This increase went into effect in August and marked the first increase in a decade.



The one-dollar round trip toll for the Sumner and Callahan Tunnels is the lowest of any comparable facility in the northeast.

**Critical Needs for
the 1990's: The
Authority Looks to
the Future**



**Top: Ten-year
comparison of
increased construc-
tion costs to
increased traffic
and toll revenue.**

**Lower right:
Joseph Silva,
Manager of Data
Systems; John
Judge; David
Walsh, Superinten-
dent of Toll
Collection; John
Vitagliano, Super-
intendent of
Tunnels.**

Over the years, an outstanding program of maintenance has kept the turnpike in good repair. But the race to maintain a safe and efficient highway is losing ground to the rapid deterioration of the overburdened, aging turnpike road and bridge system. Infrastructure decay has become a national problem. In a recent report to the President and the Congress, the National Council on Public Works Improvement described the national highway system as "barely adequate to fulfill current requirements, and insufficient to meet the demands of future economic growth and development." And the American Transportation Advisory Council reported that the national highway network "shows the effects of the relentless enemies of age, heavy usage and the elements. As we approach the 21st century, many transportation facilities in the U.S. are in critical need of repair."

Recognizing the importance of planning for the future, the Authority in 1989 prepared a blueprint for the repair and reconstruction of the turnpike through the 1990's. The program calls for \$603 million in repair, reconstruction and capital improvements during the next decade. The critical needs program has been cited by the Governor as an essential component in the stabilization and resurgence of the Massachusetts economy.



Central Artery/ Third Harbor Tunnel

The Central Artery/Third Harbor Tunnel project will have a significant impact on the Authority since the project connects directly with both the turnpike and the harbor tunnels. Recognizing the importance of the Authority's cooperation with this project, the legislature in the 1985 transportation bond issue authorized the Secretary of Transportation and Construction to enter into a contract with the Authority for "analyses, evaluations or services" necessary to determine "the method or methods by which the Commonwealth should finance its share of the proposed Central Artery/Third Harbor Tunnel project."

In late 1988, the Authority entered into an agreement with the Executive Office of Transportation and Construction to fund a study by the firm Lazard Freres and Company. The Authority's participation in this report will assist the Commonwealth in the determination of a sensible, workable funding policy for the state's share of construction costs and the costs attendant to the operation and maintenance of the new transportation system once built.

The Authority stands prepared to fulfill its appropriate role in the Central Artery/Third Harbor Tunnel project. The Authority will continue to work closely with the executive and legislative branches as the project moves forward.

Traffic Management for the 21st Century

As the Authority looks to the future, traffic management strategies will prove to be essential. Innovative traffic management strategies that utilize existing resources to their fullest must be employed to meet the growing demands of increasing traffic within the existing right-of-way.

Fifteen million dollars is earmarked in Critical Needs for the 1990's for use in the next decade to investigate and implement additional traffic management systems. These innovative approaches to moving traffic and avoiding congestion include variable message signs used to alert motorists of accidents, traffic congestion or construction activities. Located a mile or two before key interchanges, these state-of-the-art signs can provide motorists with specialized information at a moment's notice. Other

*Bob Chin, Electrical Engineer,
Weston, reviews
road plans.*



techniques that will be evaluated include the use of high occupancy vehicle (HOV) lanes which could help decrease the number of passenger cars on the highway and automatic vehicle identification systems which will move traffic quickly through toll plazas. An additional \$27.5 million will be spent on improvements to toll plazas including better traffic signaling at turnpike approaches.

Moving Traffic Efficiently with Tandem Toll Booths

In 1989, the Authority installed nine tandem toll booths, a new traffic management strategy that works by positioning a second toll booth in one lane, allowing two cars to be processed at the same time. This system allows traffic to move up to 50% faster than with one booth.

Temporary tandem toll booths were placed at three interchanges during the summer of 1989 for testing purposes. Proving successful, tandem toll booths were installed at four interchanges including Interchange 9 in Sturbridge, notorious for traffic back-ups during the holidays. For the first time in memory,

traffic flow at this interchange improved noticeably for motorists en route to Thanksgiving celebrations. Thanks to tandem toll booths, coupled with an extensive public awareness campaign, the 1989 holidays will be remembered for traffic back-ups that were greatly minimized.

Responding to Community Needs

The board voted in 1988 not to widen the turnpike between Weston and Southboro. Announcements of road widening plans had met with strong protests from neighboring communities and their elected representatives. This community response caused the board to reexamine its plans and determine that, for a variety of reasons, the plans should be rejected. The board's response to these community concerns demonstrates the Authority's commitment to listen carefully to the concerns of the communities through which the turnpike travels. We will continue to explore creative and environmentally sound solutions to the transportation demands of the 1990's and beyond.

Chairman Allan R. McKinnon confers at a public hearing in Millbury.



Pilot Sound Barrier Program

As part of the Critical Needs Study, the Authority in 1989 committed \$5 million for a pilot program on sound barriers. Steps are already underway to make this commitment a reality. The Authority will conduct the first comprehensive decibel study ever performed along the entire turnpike corridor to determine those neighborhoods most impacted by noise emanating from the roadway. Using the findings of this study, a pilot sound barrier program will be implemented for urban, suburban and rural areas with the most serious noise problems. Sound barriers will be installed and monitored for those areas. The Authority expects to complete the decibel study in 1990.

East Boston Resident Discount Program

In recognition of the unique burden which the East Boston community has borne due to the construction and operation of the harbor tunnels, a discount toll program for non-commercial passenger vehicles registered in East Boston was implemented in 1989. By year's end, more than 6,500 East Boston residents had participated in the discount program. During 1990, a similar toll discount program will be implemented for residents of the North End.

Ron Caldwell
Toll Operations
Supervisor

"I really enjoyed working in toll collection," says Ron Caldwell. On the eve of his sixteenth anniversary with the Authority, Ron remembers fondly the ten years he spent collecting tolls including the last three spent as Senior Collector. "Every day was different," he said. "I loved the personal contact and met a lot of interesting people."

In 1984, Ron was promoted to Assistant Section Supervisor, Central Division, Tolls, and in 1988, he was promoted to Toll Operations Supervisor. His primary responsibility is to train new toll collectors.

"I have always looked for a challenge," Ron said. "Because I spent so many years collecting tolls, I have had a number of experiences that will benefit new collectors." Ron stresses courteous service and his class includes safety procedures, first aid assistance, problem solving and routine log and equipment maintenance.

"Allan McKinnon is the first turnpike head who has come to people's homes to observe first-hand their plight".

Theresa DiCicco
Chairman Mass
Pike Citizens
Group



"The East Boston toll discount program is an important step in recognizing the burden placed upon our community because of the location of the tunnels. The Turnpike Authority has done the right thing and demonstrated a genuine desire to listen and respond to neighborhood concerns".

***Mary Ellen Welch
East Boston
Community Activist***

Enhancing Boston's Neighborhoods

In 1989, the Tunnels Division expanded beautification programs for tunnel properties abutting the neighboring communities of East Boston and the North End which suffer community disruption from tunnel traffic. New park areas including flower beds and shrubs have been added, screening the tunnels from view and improving the environment for tunnel neighbors. As part of a well-publicized holiday celebration, the Authority undertook an expanded program of seasonal lighting.

Maintaining the Environment

As part of a statewide beautification initiative, the Authority undertook a landscaping program to improve the highway's visual appeal for motorists, incorporate the interests of local communities and protect the environmental and historic resources that are part of the Authority's land holdings. Wildflowers, natural grasses, flowering trees and evergreen shrubbery have been added to the slopes of the highway, enhancing their natural beauty. Additionally, tub plantings were introduced at toll plazas and service areas along the turnpike. Extensive tree and shrub plantings will be completed at the Weston administration area in 1990. Additional wildflower plantings will be undertaken along the length of the roadway. These natural plantings contribute to the road's beauty, decrease the need for mowing and prevent soil erosion.

Delivering on Our Commitment to Safety

The Massachusetts State Police Troop E, permanently assigned to and funded by the Authority, is responsible for roadway safety along the 135 miles of the highway and the two harbor tunnels. During the past year, troopers responded to more than 1,450 accidents. They issued over 60,000 citations for motor vehicle violations and made in excess of 250 arrests for operating under the influence of alcohol. This coordinated enforcement effort resulted in a decrease in total accidents and a reduction in fatal accidents from 1988. The Massachusetts Turnpike in 1989 was one of the safest roadways in Massachusetts and one of the safest toll roads in the country—the turnpike's second best year ever for fewest number of traffic fatalities.

***Lt. Joseph J.
Micalizzi and Capt.
Thomas L.
McLaughlin, Troop
E, State Police.***



Improved Enforcement of Truck Weight Restrictions

Overweight vehicles are a major safety hazard on the nation's highways. Improperly loaded trucks are unbalanced, frequently fail to stop and cause a disproportionate amount of road damage. To intensify enforcement of overloaded trucks, the Authority purchased a LODEC mobile electronic platform scale. This portable system is used at all hours of the day at different locations along the turnpike to detect improper truck loading.

Emergency Service Patrol

Committed to excellence in road service, the Authority's Patron Services Department offers a 24-hour emergency service patrol. This service includes changing flat tires, providing gas or water for stranded vehicles and charging batteries. In 1989, the patrol assisted more than 45,000 stranded motorists along the turnpike. The purchase of two Harley Davidson motor cycles increased patrol efficiency and emergency access on the Boston Extension during peak traffic times.

An Ongoing Commitment to a Safe Work Place

Programs aimed at improving safety in the work place are a priority that the Authority is committed to expanding and promoting. In 1989, the Authority made a major effort to concentrate on the basics of a safe work environment. Initiatives undertaken during the year included increased safety inspections and upgrading of safety equipment and first aid resources.

The Authority also embarked on a new training initiative to educate employees on the identification and safe handling of hazardous materials both in the work place and at accident scenes. The Authority will establish in 1990 its first safety committee to coordinate, advance and promote new educational programs and training opportunities.

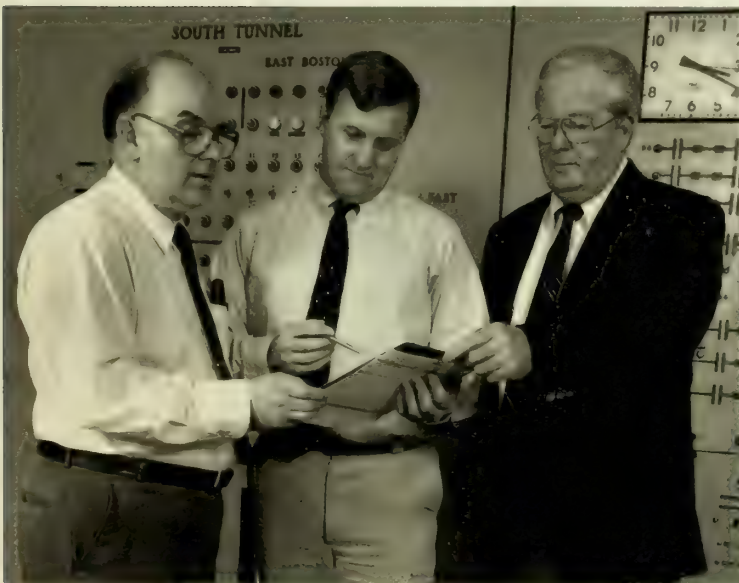


Welder at Weston Maintenance Facility.

Barry O'Connor
Director of Security
and Training

Barry O'Connor serves as the Authority's in-house expert on the East Boston tunnel toll discount program. Last summer, Barry spearheaded a two-month program distributing car stickers to qualified East Boston residents. He coordinated the distribution of approximately 6,000 stickers since the beginning of the program.

A 15-year employee, Barry started as a toll collector and advanced to his current position, Director of Security and Training. "The job diversity and good work environment has kept me here," he said. In his spare time, he organizes the tunnel hockey and ski teams. John Vitagliano, Superintendent of Tunnels, says that Barry "has done an invaluable job in the management and training programs at the tunnels. Barry also did a remarkable job last year with the East Boston discount sticker program. The success of the program was due in large part to his management skills."



Barry O'Connor, center, with Pat Fronduto, Supervisor, Tolls (left), and Bill Crowther, Assistant Superintendent (right).

Communicating Better Promotes Better Management

During 1989, new digital telephone switches were installed at the four major Authority locations to provide an integrated system capable of providing voice and data communications through a single switch, replacing obsolete leased electro-mechanical switches and rotary dial telephones. New telephone systems also were installed at the toll booths at each interchange and the tunnel toll plazas. This new system allows toll collectors to dial the State Police directly during emergencies, thereby relieving State Police mobile radio frequencies formerly used for that purpose. Besides providing increased capacity and enhanced technological features, the new telephone systems will save the Authority approximately \$117,000 annually in leased telephone equipment costs.

New State Police radio control consoles were installed at the Weston, Charlton and Westfield police stations to be compatible with the new continuous sub-audio tone radio system. Approximately 25 State Police cruisers with the old radio system were converted to the new programmable and emergency signalling mobile radio system.

Supporting the Need for Timely Information

Data Systems, responsible for the coordination and operation of all computer systems throughout the Authority, was instrumental in assisting the Tunnel Division in implementing a new toll classification system to increase the Authority's toll audit capacity and

improve its data collection capability. This new system has simplified and strengthened important audit functions and increased the efficiency of traffic flow through the Sumner Tunnel toll plaza.

Recognizing the need to fully integrate various functional departments, provide "real time" data analysis and enhance audit capabilities and information services, Data Systems will continue to upgrade and modernize the office automation network and computerize the inventory of parts and equipment to better monitor the purchase and disbursement of these items.

Keeping Massachusetts Moving With Efficient Toll Collection

Toll Collection processed a record 135,705,838 vehicles, an increase of 1% compared to 1988. Of this total, 51% was handled by the Initial Turnpike and 49% by the Boston Extension. In 1989, the Tunnels Division processed nearly 17 million vehicles passing through the Sumner Tunnel toll booths, reflecting an increase of approximately 140,000.

The Authority has improved the quality of tickets and the processing of fares at toll collection booths. Coordination between Toll Collection, Engineering and Maintenance and the State Police has contributed to better traffic flow and improved motorist services. Enhanced communications via new telephone systems to the State Police have resulted in faster responses to emergencies. Improved signs on ramps and toll plazas and newly painted lanes and lane restrictions have helped to move traffic more smoothly.

Terri M. Furlong
Toll Collector

"I've been a toll collector for eight years and I still love it," says Terri Furlong. Terri has worked almost exclusively at the tunnels in East Boston where she is well known among co-workers and patrons for her friendly manner and positive attitude. Says Authority General Counsel (also an East Boston resident) Jim Aloisi, "I try to drive through Terri's booth each morning at 7:00 a.m. with my dad as we carpool into town. Terri, usually joined by Pat Mini, always starts my day with good cheer. She's terrific." Her warm personality, combined with an outstanding record of performance, earned her the Governor's Citation for Outstanding Performance awarded by Governor Michael S. Dukakis in September. "That was a real thrill," Terri said. "To be recognized for what you do can be very inspiring."





Top photo: Legal staff, standing, Jim Aloisi (left), General Counsel, and John Torpey, Associate General Counsel; seated, Tom Costigan (left), Deputy General Counsel, and Deborah Sedares, Associate General Counsel.

Lower photo: Linda Dailey (left), Public Relations Associate, and Donna Levy, Director, Public Relations and Marketing.

General Counsel

The office of the general counsel was established in 1989 to ensure that appropriate legal policies are adopted and applied by the Authority. The general counsel interprets the Enabling Acts and the Trust Agreement, and provides advice and counsel to the Chairman and the board at board meetings. He may also serve as hearing officer at public meetings or hearings. The general counsel's responsibilities include supervision of all litigation, negotiation and drafting of contracts and provision of advice and counsel to the executive staff and department heads. The general counsel oversees the Code of Conduct, provides advice to the Retirement Board and works closely with the Administration Department on labor relations and bargaining agreement issues. The general counsel's office includes the office of public relations.

Code of Conduct:

A Commitment to Integrity

A major accomplishment for the general counsel's office was the writing and adoption of a Code of Conduct for all executive and classified employees. As recognition of the Authority's commitment to integrity and high ethical standards, it details clear guidelines for official behavior in a variety of areas. The Authority's Code of Conduct establishes conflict of interest standards tougher than those found in the state's conflict of interest law.

Procurement Reform

In 1989, the General Counsel and the Director of Operations collaborated on the beginnings of a procurement reform program for the Authority. This program, which should be fully underway in 1990, is designed to ensure that the Authority's procurement policies are open and competitive. The procurement reform program will center on a thorough review and updating of existing Authority policies and procedures with an eye toward making significant alterations and additions. By making a special effort to focus on the way in which goods and services are procured, the Authority hopes to maximize efficiency and economy in the delivery of services and encourage the participation of new vendors. Such a program will ensure that the Authority conducts its public business in a way which earns the confidence of the business community, the legislature and the public at large.

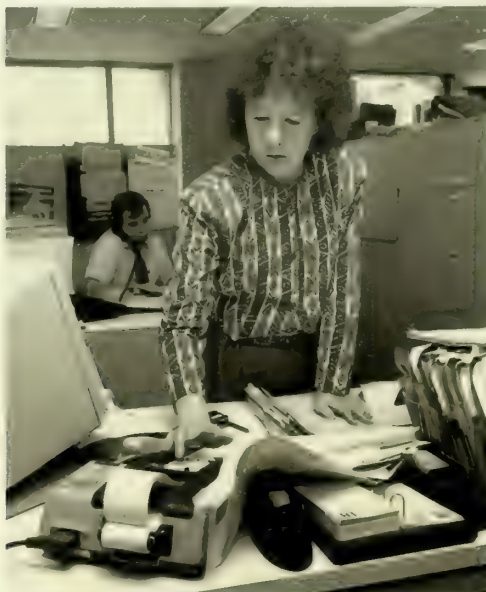
Accountability: Beyond the Rhetoric

The financial independence of the Authority—so important to enabling it to carry out the legislative mandate to provide excellent service to the public in a cost effective manner—must be exercised in a context of accountability to the public.

By law, the Authority is subject to the Freedom of Information Act, the Fair Information Practices Act, the Open Meeting law, the Conflict of Interest law, the state Environmental Protection Act and the state laws on public bidding for construction. The Authority also is subject to review by the State Auditor, Attorney General and Inspector General and is required to provide the Governor and the Legislature with an annual report of its financial condition.

The Authority also is accountable, by contract, to its bondholders—the people and institutions who have invested in the Authority and who demand excellence in the management of the highway and prudence in the management of Authority revenues.

Finally, the Authority must be accountable on a daily basis to tens of thousands of motorists who use the turnpike and tunnels and who expect a safe, efficient ride to their destinations.



*Ellen Goduti,
Accounts Payable,
checks daily
receipts. Rear,
Bob Healy,
Accounts Payable.*

Administration

Administration is responsible for the internal functioning of the Authority and includes the Office of Human Resources, Community Relations, the Office of Affirmative Action and Equal Employment Opportunity and Office Services.

Treating Employees Fairly: Job Evaluation Study

In 1989, the Authority implemented the results of a compensation and classification study, the first of its type undertaken since 1974. All classified positions were reviewed and competitive pay levels and job evaluations were included to ensure that employees were paid in accordance with their respective duties and responsibilities. This study assures the Authority that these positions are equitably graded based on internal and external factors and that employees are competitively compensated with similar public organizations.

Dignity for All Employees: AIDS Policy

In September, the Authority adopted a policy on acquired immune deficiency syndrome (AIDS) and other life threatening diseases. This policy establishes a policy for the fair and even-handed treatment of employees with AIDS and other life threatening diseases which protects their right to continued employment in a caring and supportive setting. It further requires manager and co-worker education about AIDS and related diseases and ensures confidentiality for all employees.

Affirmative Action and Equal Employment Opportunity

Equal employment opportunity and affirmative action continued to be an important area of concern and activity for the Authority. During 1989, the total number of people employed by the Authority was 1,185. Minorities and women comprised 14% and 22% respectively of the aggregate work force and



Left to right, Ann Driscoll, Personnel Assistant; Joseph Reardon, Manager of Employee Compensation and Benefits; Norma Fenochietti, Director of Administration; Jim LaBua, Director, Human Resources; Patty Scanlon, Manager, Personnel Programs; Felix Blackburn, AA Manager/EEO Officer.

comprised more than 43% of the total summer seasonal employees of the Authority. Hiring statistics for the year indicated that 42% of new professional employees and 39% of new nonprofessional employees were minorities and women. In addition, women and minorities collectively represented 35% of all promotional opportunities.

Minority Business Enterprise Program

The Authority's Minority Business Enterprise Program (MBEP) remains committed to generating business opportunities for minority and women-owned businesses through a variety of outreach activities. This program demonstrates the Authority's commitment to a strong policy of non-discrimination and has increased the resources available to the Authority while providing more opportunities for minority and women-owned businesses.

Promoting the Recreational and Cultural Diversity of Massachusetts: Tourist Information Centers

In April 1989, the Authority assumed responsibility for the four tourist information centers located along the turnpike. Last year, nearly 450,000 tourists visited the centers. Working with the Massachusetts Office of Travel and Tourism, these centers provide accessible and convenient services to the travelling public and help promote tourism



Charlton East Tourist Information Center, left to right, Ellen Matte and Eugene LaFond, staff members; Norma Fenochietti; Peg MacKenzie, Director of Community Relations; and Alice "Lolly" Cournoyer, Manager of Tourist Information Centers.



Charlton East Tourist Information Center (left).

throughout Massachusetts.

The staff provides directions and travel itineraries as well as information on accommodations and restaurants, schedules of events and places of interest across the Commonwealth. Each center is equipped with a reservation phone for public use, free of charge, to all members of the Massachusetts Hotel and Motel Association. Tourist information centers are located in Lee, Charlton and Natick and are open seven days a week.

Development and Planning

Under the new office of Development and Planning, the Authority will maximize the potential of its real estate holdings. Properties will be reviewed to determine their highest and best potential. This includes the development and identification of viable real estate opportunities along and over the highway.

Development Presentations to Demonstrate Real Estate Opportunities

A recognized leader in air rights development, the Authority takes pride in Copley Place, a world class office and retail complex built over the Boston Extension. In 1989, construction began on the last component of the Copley Place project, the office building at 116 Huntington Avenue. Not only do these developments produce revenues for the Authority, they serve to unify communities divided by past highway construction.

***Joseph D. Feaster,
Acting Director,
Real Estate, with
Assistant Walda
Moschella.***



Secretary-Treasurer's Office

The Secretary-Treasurer's office manages the Authority's \$120 million budget and encompasses all financial divisions and departments within the Authority. This office directs the Authority's finance and budgetary functions including financial planning and forecasting and the management of investments. The office consists of general accounting, internal auditing, insurance and operational and capital budgeting departments.

Protecting Our Investment

The Authority's internal audit capacity has been expanded and reorganized. Toll auditing has been consolidated with the traditional audit unit. The combined resources of this newly reorganized group will coordinate all auditing activities and provide management with timely reports on day-to-day activities.

All insurance and risk management activities have been consolidated under the responsibility of the Secretary-Treasurer's office. With a centralized processing center, the Authority expects to efficiently process property and casualty claims as they occur. Emphasis will continue to be placed upon obtaining mandatory insurance coverage at the lowest cost.

Capital Planning: Investing in the Future

To meet the capital planning needs of the \$603 million critical needs improvement program for the turnpike and the \$58 million tunnel repair program, capital budgeting and planning will remain a high priority for the Authority. Both short and long range financial plans will be developed to monitor and control revenues and expenditures effectively for these major construction projects.



Treasurer's Office, left to right, Mary Shaughnessy, First Deputy Secretary-Treasurer; Phillip DiTullio, Deputy Secretary-Treasurer; Richard Wong, Secretary-Treasurer; George Ryan, Assistant Treasurer; Ed Malone, Chief Auditor; Ken Lewis, Controller.

Carol Latfy
Chief Accountant

In June 1957, one month after the turnpike opened, the Authority recruited Carol Latfy from Roslindale High School to fill a summer position in the Payroll Department. "My intent was to work for the summer and then enroll in Bentley College in the fall," said Carol. "But, at the end of the summer, I was told that a permanent position was available in Payroll and that I should apply." Carol took the position and went to Bentley at night.

Ten years later, Carol assumed her current position of Chief Accountant. Today, she continues to manage the areas of general ledger, accounting and financial statements. Additionally, she served as the initial manager of the Authority's credit union and continues to serve as its treasurer. She is Metropolitan Chapter Delegate to the Credit Union League of Massachusetts.

"I have really enjoyed the type of work I do, and the people I work with. I've been here for 32 years. It has always been a challenging and fulfilling position for me," says Carol. Secretary-Treasurer Dick Wong takes note of Carol's "hard work and dedication which exemplifies the Authority's many talented career employees. Carol's commitment to public service is something which is an example for each of us."



The Retirement System: Keeping Faith with Our Employees

One way to measure the quality of any organization is the way in which it cares for its retirees. At the Authority, an independent retirement board governs the management and distribution of funds held through a contributory retirement system. Investment earnings in 1989 totalled \$5,500,482, representing a yield of 9.7%.

The retirement system is one of 106 independent contributory retirement systems linked by a common legal structure which establishes, among other things, the equity and security of uniform benefits and contribution requirements.

In 1989, two long-standing members of the retirement board joined the ranks of retirees, former Secretary-Treasurer Stanley Britton and Attorney Joseph Maloney. Twenty-six Authority employees retired in 1989, and a total of \$3,680,260 was distributed to all retirees and beneficiaries of deceased members.

Board of Directors

Allan R. McKinnon
Chairman

Allan R. McKinnon was appointed Chairman, Massachusetts Turnpike Authority, by Governor Dukakis in July 1987.

Prior to this, Mr. McKinnon served as Deputy Secretary, Transportation, Executive Office of Transportation and Construction where he managed transportation issues for the Route 128 corridor communities.

Formerly a state senator, Mr. McKinnon served in the Massachusetts Senate from 1971-1984. During this time, he oversaw legislative initiatives on auto insurance and workmen's compensation reform. Additionally, Mr. McKinnon served as Senate Majority Whip.

Ann M. Hershfang
Vice Chairwoman

Ann M. Hershfang was appointed Member, Massachusetts Turnpike Authority Board, by Governor Dukakis in July 1988. In 1989, she assumed the position of Board Vice Chairwoman, the

first woman to hold this office.

Prior to this, Mrs. Hershfang served as Massachusetts Undersecretary, Transportation, where she managed state transportation programs and oversaw highway open space purchase programs.

Currently a Trustee of Radcliffe College, Mrs. Hershfang previously served as Director of Massport from 1974-1981.

Juan J. Evereteze
Member

Juan J. Evereteze was appointed Member, Massachusetts Turnpike Authority Board, by Governor Dukakis in July 1989.

Prior to this, Mr. Evereteze served as Assistant Secretary, Land Use Planning, Executive Office of Transportation and Construction, where he coordinated land use planning among transportation agencies and draft blueprints protecting railroad rights-of-way.

Formerly a Director of Massport, Mr. Evereteze also helped develop a small business loan program for the MBTA.



Vice Chairwoman
Ann M. Hershfang,
left; Member Juan
J. Evereteze, right.

About Profits and
Trust Agreements

The Authority's \$120 million budget is funded almost exclusively by toll collections—with not one penny of state or federal money or gas tax revenues. The Authority does not make a profit and is not a profit-making organization. The Authority is governed by an Enabling Act and a Trust Agreement. The Trust Agreement is a contract with the Authority's bondholders. The Trust Agreement requires that all revenue after the payment of operating expenses must be directed into the following specific accounts: the Bond Interest Account, an amount equal to six months interest on all outstanding bonds; the Replacement Reserve Account, a dollar amount recommended by the consulting engineers and dedicated to annual maintenance and repair (in 1989, this account was funded at \$35 million); the Bond Reserve Account, an amount equal to one year's interest on all outstanding bonds; and finally, the Bond Redemption Account. When the net funds after operating expenses are paid into these accounts each year, the revenue remaining amounts to zero dollars.

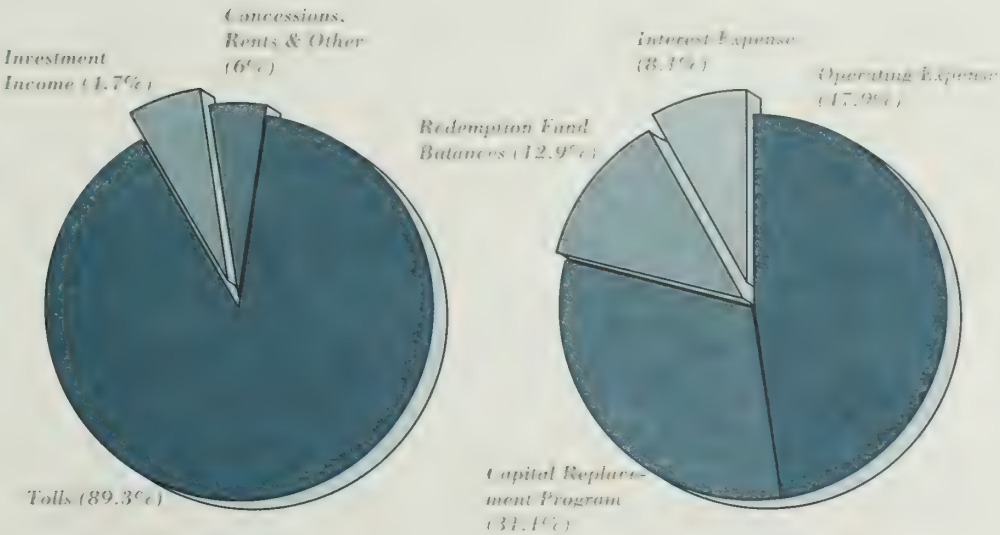
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Authority Revenues, left.

Authority Expenditures, right.



**Massachusetts Turnpike Authority Combined Statement of Condition
(Note 3b)—As of December 31, 1989 and 1988**

Assets	1989	1988
Cash (Note 4; see note 3 (h) for restrictions as to use)		
Operating	\$ 2,364,147	\$ 631,174
Toll Depository Banks	7,842,294	7,410,524
Investments (Note 4; see note 3 (h) for restrictions as to use)		
U.S. Treasury Securities	78,063,700	82,897,742
Repurchase Agreements	15,775,000	6,765,013
Money Market Accounts	4,812,720	3,544,062
Accrued Interest on Investments	462,607	554,151
Accounts Receivable	2,984,712	2,925,795
Inventories	788,629	658,761
Deposits, Prepaid and Deferred Items	1,368,073	1,850,034
Escrow Funds	182,055	77,593
Deferred Compensation Contract (Note 8)	4,625,550	3,813,219
Cost of Massachusetts Turnpike and Callahan-Sumner Tunnels to Date	553,901,986	556,323,345
Total Assets	\$673,171,473	\$667,451,413
Liabilities and Fund Balances		
Accounts Payable	\$ 1,798,792	\$ 1,095,478
Accrued Expenses and Payroll	5,738,853	5,317,346
Withholding from Employees	19,999	20,411
Deposits and Deferred Income	853,312	942,749
Bond Interest - Unpaid Coupons	62,357	62,357
Deferred Compensation (Note 8)	4,625,550	3,813,219
Medical Benefits Claims Reserve	184,598	292,481
Contract Retainage	893,334	1,650,996
Revenue Bonds Outstanding	180,516,915	192,253,850
Total Liabilities	\$194,693,710	\$205,448,887
Fund Balances		
Revenue Bonds Retired	\$413,483,085	\$401,746,150
Fund Balances	64,994,678	60,256,376
Total Fund Balances	478,477,763	462,002,526
Total Liabilities and Fund Balances	\$673,171,473	\$667,451,413

See independent auditor's report and accompanying notes.

***Massachusetts Turnpike Authority Combined Statement of Revenues,
Expenses, Required Distributions and Changes in Revenue Funds
(Note 3b)—For the Years Ended December 31, 1989 and 1988***

<i>Revenues</i>	<i>1989</i>	<i>1988</i>
Toll Revenue (net)	\$106,856,038	\$103,598,613
Restaurant/Concession	2,665,837	2,487,136
Service Station Revenue	1,716,227	1,746,959
Rental Income	2,739,239	2,852,786
Investment and Miscellaneous Income:		
Restricted (Replacement Reserve and Sinking Funds)	4,150,161	3,617,331
Revenue Fund	1,511,684	647,897
Total Revenues	\$119,639,186	\$114,950,722
<i>Expenses</i>		
Administrative	\$ 6,383,544	\$ 5,653,754
Retirement	7,758,341	6,391,465
Operations and Public Protection	43,150,490	38,697,461
Total Expenses	\$ 57,292,375	\$ 50,742,680
Net Revenues Before Required Distribution	\$ 62,346,811	\$ 64,208,042
Restricted Revenues	(4,150,161)	(3,617,331)
Net Funds Available for Distribution	\$ 58,196,650	\$ 60,590,711
Required Distribution (Transfers to Restricted Funds)		
Bond Interest	\$ 8,898,848	\$ 10,132,001
Replacement Reserve (Road and Bridge Resurfacing, Reconstruction and Related Costs)	37,221,103	34,400,000
Bond Redemption	9,602,069	17,437,959
Total Distribution	\$ 55,722,020	\$ 61,969,960
Net Change in Revenue Funds	\$ 2,474,630	\$ (1,379,249)

See independent auditor's report and accompanying notes.

Massachusetts Turnpike Authority
Combined Statement of Changes in Fund Balances (Note 3b)
For the Years Ended December 31, 1989, and 1988

	Revenue Fund
	Revenues Retained for General Operating Purposes
Net Revenues Before Required Distribution	\$58,196,650
Required Distribution (Transfers)	(55,797,259)
Other Transfers	75,239
Totals	\$ 2,474,630
Disbursements	
Payment of Bond Interest	\$
Resurfacing, Replacing, Reconstruction and Related Costs	
Redemption of Bonds	
Totals	\$
Net Change for Year	\$ 2,474,630
Balances	
Beginning of Year	10,619,452
End of Year	\$13,094,082

See independent auditor's report and accompanying notes.

<i>Bond Interest Account</i>	<i>Sinking Fund</i>		<i>Replacement Reserve Fund</i>	<i>1989 Totals</i>	<i>1988 Totals</i>
	<i>Reserve Account</i>	<i>Redemption Account</i>			
\$ 361,203	\$ 877,521	\$ 300,371	\$ 2,611,066	\$62,346,811	\$64,208,042
8,931,283		9,644,873	37,221,103		
(32,435)	(5,002,441)	4,959,637			
\$9,260,051	\$(4,124,920)	\$14,904,881	\$39,832,169	\$62,346,811	\$64,208,042
\$9,704,112	\$	\$	\$	\$ 9,704,112	\$10,894,361
			35,910,737	35,910,737	31,413,962
	\$	11,993,660		11,993,660	20,796,562
\$9,704,112	\$	\$11,993,660	\$35,910,737	\$57,608,509	\$63,104,885
\$ (444,061)	\$ (4,124,920)	\$ 2,911,221	\$ 3,921,432	\$ 4,738 302	\$ 1,103,157
5,239,699	13,615,392	5,620,550	25,161,283	60,256,376	59,153,219
\$4,795,638	\$ 9,490,472	\$ 8,531,771	\$29,082,715	\$64,994,678	\$60,256,376

Massachusetts Turnpike Authority
Massachusetts Turnpike Statement of Condition
As of December 31, 1989 and 1988

Assets	1989	1988
Cash (Note 4; see Note 3 (h) for restrictions as to use)		
Operating	\$ 1,773,826	\$ 613,655
Toll Depository Banks	6,520,389	6,676,935
Investments (Note 4; see Note 3 (h) for restrictions as to use)		
U.S. Treasury Securities	76,068,147	76,473,663
Repurchase Agreements	15,630,000	6,235,013
Money Market Accounts	885,456	3,544,062
Accrued Interest on Investments	462,472	432,999
Accounts Receivable	2,919,156	2,868,681
Inventories	788,238	658,515
Deposits, Prepaid and Deferred Items	1,236,697	1,552,839
Escrow Funds	182,055	77,593
Deferred Compensation Contract (Note 8)	4,625,550	3,813,219
Due from Other Funds	488,123	1,046,654
Cost of Massachusetts Turnpike to Date	499,501,986	501,923,345
Total Assets	\$611,082,095	\$605,917,173
Liabilities and Fund Balances		
Accounts Payable	\$ 1,737,090	\$ 1,052,894
Accrued Expenses and Payroll	5,119,956	4,634,749
Withholding from Employees	19,999	20,411
Deposits and Deferred Income	675,625	775,338
Bond Interest - Unpaid Coupons	43,568	43,568
Deferred Compensation (Note 8)	4,625,550	3,813,219
Due to Other Funds	367,738	924,073
Medical Benefits Claims Reserve	184,598	292,481
Contract Retainage	888,136	1,650,996
Revenue Bonds Outstanding		
1962 Revenue Series - Due January 1, 2002		
Series A - 4.75%	98,937,000	100,000,000
Series A - 4.15%	37,589,000	38,000,000
1984 Refunding Bonds - Due January 1, 2002		
Series B - 5%	4,390,915	10,254,850
1986 Improvement Series - Due January 1, 2025		
Series A - 6.75%	21,600,000	22,000,000
1986 Improvement Series - Due January 1, 2026		
Series A - 7.125%	18,000,000	18,000,000
Total Liabilities	\$194,179,175	\$201,462,579
Fund Balances		
Revenue Bonds Retired	\$359,083,085	\$351,345,150
Fund Balances	57,819,835	53,109,444
Total Fund Balances	\$416,902,920	\$404,454,594
Total Liabilities and Fund Balances	\$611,082,095	\$605,917,173

See independent auditor's report and accompanying notes.

**Massachusetts Turnpike Statement of Revenues, Expenses, Required
Distribution and Change in Revenue Fund
For the Years Ended December 31, 1989 and 1988**

Revenues	1989	1988
Toll Revenue (net)	\$ 94,641,324	\$ 93,835,256
Restaurant/Concession	2,665,837	2,487,136
Service Station Revenue	1,716,227	1,746,959
Rental Income	2,660,687	2,775,125
Investment and Miscellaneous Income:		
Restricted (Replacement Reserve and Sinking Fund)	3,770,502	3,135,500
Revenue Fund	1,413,287	603,393
Total Revenues	\$106,867,864	\$104,583,369
Expenses		
Administrative	\$ 5,510,531	\$ 4,927,520
Retirement	6,613,497	5,293,757
Operations and Public Protection	37,044,966	33,222,752
Total Expenses	\$ 49,168,994	\$ 43,444,029
Net Revenues Before Required Distribution	\$ 57,698,870	\$ 61,139,340
Restricted Revenues	(3,770,502)	(3,135,500)
Net Funds Available for Distribution	\$ 53,928,368	\$ 58,003,840
Required Distribution (Transfers to Restricted Funds)		
Bond Interest	\$ 8,931,283	\$ 9,907,391
Replacement Reserve (Road and Bridge Resurfacing, Reconstruction and Related Costs)	33,800,008	33,400,000
Bond Redemption	9,644,873	15,900,333
Total Distribution	\$ 52,376,164	\$ 59,207,724
Net Change in Revenue Fund	(1) \$ 1,552,204	\$ (1,203,884)

*(1) Restricted revenue funds carried from 1989 to 1990 available for
required distribution per Trust Agreement.*

See independent auditor's report and accompanying notes.

Massachusetts Turnpike Authority
Massachusetts Turnpike Statement of Changes in Fund Balances
For the Years Ended December 31, 1989 and 1988

	Revenue Fund	Sinking Fund
	Revenues Retained for General Operating Purposes	Bond Interest Accounts Series A
Net Revenues Before Required Distribution	\$53,928,368	\$ 346,580
Required Distribution (Transfers)	(52,376,164)	8,741,513
Other Transfers		
Totals	\$ 1,552,204	\$9,088,093
Disbursements		
Payment of Bond Interest		
Interest Dates	\$	\$9,094,500
Retirement Dates		35,193
Resurfacing, Replacing, Reconstruction and Related Costs		
Redemption of Bonds		
Totals	\$	\$9,129,693
Net Change for Year	\$ 1,552,204	\$ (41,600)
Balances		
Beginning of Year	10,012,881	4,724,283
End of Year	(1) <u>\$11,565,085</u>	<u>\$4,682,683</u>

(1) Restricted revenue funds carried from 1989 to 1990 available for required distribution per Trust Agreement.

See independent auditor's report and accompanying notes.

<i>Bond Interest Accounts Series B</i>	<i>Sinking Fund</i>		<i>Replacement Reserve Fund</i>	<i>1989 Totals</i>	<i>1988 Totals</i>
	<i>Reserve Account</i>	<i>Redemption Account</i>			
\$ 13,159 189,770	\$ 795,620 (965,776)	\$ 298,351 9,644,873 965,776	\$ 2,316,792 33,800,008	\$57,698,870	\$61,139,340
<u>\$ 202,929</u>	<u>\$ (170,156)</u>	<u>\$10,909,000</u>	<u>\$ 36,116,800</u>	<u>\$57,698,870</u>	<u>\$61,139,340</u>
\$ 440,425 54,847	\$	\$	\$	\$ 9,534,925 90,040	\$10,282,483 325,853
		7,994,660	35,368,854	35,368,854 7,994,660	30,565,578 18,561,215
<u>\$ 495,272</u>	<u>\$</u>	<u>\$ 7,994,660</u>	<u>\$ 35,368,854</u>	<u>\$52,988,479</u>	<u>\$59,735,129</u>
\$ (292,343)	\$ (170,156)	\$ 2,914,340	\$ 747,946	\$ 4,710,391	\$ 1,404,211
405,298	9,660,628	5,617,431	22,688,923	53,109,444	51,705,233
<u>\$ 112,955</u>	<u>\$9,490,472</u>	<u>\$ 8,531,771</u>	<u>\$ 23,436,869</u>	<u>\$57,819,835</u>	<u>\$53,109,444</u>

Massachusetts Turnpike Authority
Callahan-Sumner Tunnels Statement of Condition
As of December 31, 1989 and 1988

Assets	1989	1988
Cash (Note 4; see Note 3 (h) for restrictions as to use)		
Operating	\$ 590,320	\$ 17,519
Toll Depository Banks	1,321,906	733,589
Investments (Note 4; see Note 3 (h) for restrictions as to use)		
U.S. Treasury Securities	1,995,553	6,424,079
Repurchase Agreements	145,000	530,000
Money Market Accounts	3,927,264	
Accrued Interest on Investments	135	121,152
Accounts Receivable	65,556	57,114
Inventories	391	246
Deposits, Prepaid and Deferred Items	131,376	297,195
Due from Other Funds	19,842	42,057
Cost of Tunnels to Date	54,400,000	54,400,000
Total Assets	<u>\$62,597,343</u>	<u>\$62,622,951</u>
Liabilities and Fund Balances		
Accounts Payable	\$ 61,702	\$ 42,584
Accrued Expenses and Payroll	618,897	682,597
Deposits and Deferred Income	177,687	167,411
Bond Interest - Unpaid Coupons	18,789	18,789
Due to Other Funds	140,227	164,638
Contract Retainage	5,198	
Revenue Bonds Outstanding		
1959 Revenue Series - Due April 1, 1999		
4.75%		3,999,000
Total Liabilities	<u>\$ 1,022,500</u>	<u>\$ 5,075,019</u>
Fund Balances		
Revenue Bonds Retired	\$54,400,000	\$50,401,000
Fund Balances	7,174,843	7,146,932
Total Fund Balances	<u>\$61,574,843</u>	<u>\$57,547,932</u>
Total Liabilities and Fund Balances	<u>\$62,597,343</u>	<u>\$62,622,951</u>

See independent auditor's report and accompanying notes.

***Callahan-Sumner Tunnels Statement of Revenues, Expenses, Required Distribution and Change in Revenue Fund
For the Years Ended December 31, 1989 and 1988***

<i>Revenues</i>	<i>1989</i>	<i>1988</i>
Toll Revenue (net)	\$12,214,714	\$ 9,763,357
Rental Income	78,552	77,661
Investment and Miscellaneous Income:		
Restricted (Replacement Reserve and Sinking Fund)	379,659	481,831
Revenue Fund	<u>98,397</u>	<u>44,504</u>
Total Revenues	<u>\$12,771,322</u>	<u>\$10,367,353</u>
<i>Expenses</i>		
Administrative	\$ 873,013	\$ 726,234
Retirement	1,144,844	1,097,708
Operations and Public Protection	<u>6,105,524</u>	<u>5,474,709</u>
Total Expenses	<u>\$ 8,123,381</u>	<u>\$ 7,298,651</u>
Net Revenues Before Required Distribution	\$ 4,647,941	\$ 3,068,702
Restricted Revenues	<u>(379,659)</u>	<u>(481,831)</u>
Net Funds Available for Distribution	<u>\$ 4,268,282</u>	<u>\$ 2,586,871</u>
Required Distribution (Transfers to Restricted Funds)		
Bond Interest	\$ (32,435)	\$ 224,610
Replacement Reserve (Roadway, Resurfacing, Reconstruction and Related Costs)	3,421,095	1,000,000
Bond Redemption	<u>(42,804)</u>	<u>1,537,626</u>
Total Distribution	<u>\$ 3,345,856</u>	<u>\$ 2,762,236</u>
Net Change in Revenue Fund	<u>\$ 922,426</u>	<u>\$ (175,365)</u>

See independent auditor's report and accompanying notes.

Massachusetts Turnpike Authority
Callahan-Sumner Tunnels Statement of Changes in Fund Balances
For the Years Ended December 31, 1989 and 1988

	Revenue Fund
	Revenues Retained for General Operating Purposes
Net Revenues Before Required Distribution	\$4,268,282
Required Distribution (Transfers)	(3,421,095)
Other Transfers	75,239
Totals	\$ 922,426
Disbursements	
Payment of Bond Interest	
Interest Dates	\$
Retirement Dates	
Resurfacing, Replacing,	
Reconstruction and Related Costs	
Redemption of Bonds	
Totals	\$
Net Change for Year	\$ 922,426
Balances	
Beginning of Year	606,571
End of Year	\$1,528,997

See independent auditor's report and accompanying notes.

<i>Bond Interest Account</i>	<i>Sinking Fund</i>		<i>Replace- ment Reserve Fund</i>	<i>1989 Totals</i>	<i>1988 Totals</i>
	<i>Reserve Account</i>	<i>Redemption Account</i>			
\$ 1,464	\$ 81,901	\$ 2,020	\$ 294,274	\$4,647,941	\$3,068,702
(32,435)	(4,036,665)	3,993,861	3,421,095		
<u>\$ (30,971)</u>	<u>\$ (3,954,764)</u>	<u>\$3,995,881</u>	<u>\$3,715,369</u>	<u>\$4,647,941</u>	<u>\$3,068,702</u>
\$ 79,147	\$	\$	\$	\$ 79,147	\$ 262,678
					23,347
			541,883	541,883	848,384
		3,999,000		3,999,000	2,235,347
<u>\$ 79,147</u>	<u>\$</u>	<u>\$3,999,000</u>	<u>\$ 541,883</u>	<u>\$4,620,030</u>	<u>\$3,369,756</u>
\$(110,118)	\$ (3,954,764)	\$ (3,119)	\$3,173,486	\$ 27,911	\$ (301,054)
110,118	3,954,764	3,119	2,472,360	7,146,932	7,447,986
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$5,645,846</u>	<u>\$7,174,843</u>	<u>\$7,146,932</u>

***Massachusetts Turnpike Authority Summary of Revenue Bonds Issued,
Retired and Outstanding
Fiscal Year Ended December 31, 1989***

	<i>Original Amount of Bonds Authorized and Issued</i>
Massachusetts Turnpike	
1954 Revenue Bonds	
Due 05/01/1994	
3.30%	\$239,000,000
1962 Revenue Bonds	
Due 01/01/2002	
Series A – 4.75%	100,000,000
Series A – 4.15%	38,000,000
Series B – 4%-5%	80,000,000
1968 Revenue Bonds	
Due 05/01/2008	
5.25%	15,000,000
1984 Refunding Bonds	
Due 01/01/2002	
Series B – 5%	
1986 Revenue Bonds	
Improvement Series	
Due 01/01/2025	
Series A – 6.75%	22,000,000
Due 01/01/2026	
Series A – 7.125%	18,000,000
Total Massachusetts Turnpike	<u>\$512,000,000</u>
Callahan-Sumner Tunnels	
1959 Revenue Bonds	
Due 04/01/1999	
4.75%	\$ 52,800,000
4.25%	1,600,000
Total Callahan-Sumner Tunnels	<u>\$ 54,400,000</u>
Total Authority	<u>\$566,400,000</u>

***(1) Outstanding Series B – 5% Refunding Bonds, in the amount of
\$4,390,915, were called for redemption on December 1, 1989, and
were redeemed on January 2, 1990.***

See independent auditor's report and accompanying notes.

Plus Issuance of Series B Refunding Bonds	Total Bonds Issued	Bonds Acquired and Cancelled Prior to 1/1/89	Bonds Outstanding 1/1/89	Bonds Retired in 1989	Bonds Outstanding 12/31/89
\$	\$239,000,000	\$239,000,000	\$	\$	\$
	100,000,000		100,000,000	1,063,000	98,937,000
	38,000,000		38,000,000	411,000	37,589,000
(80,000,000)					
	15,000,000	15,000,000			
107,600,000	107,600,000	97,345,150	10,254,850	5,863,935	4,390,915 (1)
	22,000,000		22,000,000	400,000	21,600,000
	18,000,000		18,000,000		18,000,000
<u>\$27,600,000</u>	<u>\$539,600,000</u>	<u>\$351,345,150</u>	<u>\$188,254,850</u>	<u>\$ 7,737,935</u>	<u>\$180,516,915</u>
\$	\$ 52,800,000	\$ 48,801,000	\$ 3,999,000	\$ 3,999,000	\$
	1,600,000	1,600,000			
<u>\$</u>	<u>\$ 54,400,000</u>	<u>\$ 50,401,000</u>	<u>\$ 3,999,000</u>	<u>\$ 3,999,000</u>	<u>\$</u>
<u>\$27,600,000</u>	<u>\$594,000,000</u>	<u>\$401,746,150</u>	<u>\$192,253,850</u>	<u>\$11,736,935</u>	<u>\$180,516,915</u>

Massachusetts Turnpike Authority

Notes to Financial Statements—December 31, 1989 and 1988

1. General

In fiscal years 1989 and 1988, the Authority operated two separate and financially distinct facilities: the Massachusetts Turnpike and the Callahan-Sumner Tunnels. The acquisition and construction of these facilities were financed by means of revenue bond issues, 1954 through 1986, totalling \$594,000,000 (Massachusetts Turnpike \$539,600,000 and Callahan-Sumner Tunnels \$54,400,000). Neither the faith and credit nor the taxing power of the Commonwealth of Massachusetts or of any political subdivision thereof is pledged to the payment of the principal or interest on the bonds. The funds providing for the maintenance, operation and policing of these facilities, as well as principal and interest payments on bond issues, are derived from tolls and other revenues.

2. The Enabling Act

By Chapter 354 of the Acts of 1952 of the Commonwealth of Massachusetts, the Massachusetts Turnpike Authority was duly created a body politic and corporate and public instrumentality of the Commonwealth of Massachusetts and was authorized and empowered to construct, maintain, repair and operate a toll express highway, known as the Massachusetts Turnpike. Chapter 598 of the Acts of 1958 authorized and empowered the Massachusetts Turnpike Authority to acquire from the City of Boston the Sumner Tunnel and to construct and operate an additional vehicular tunnel between Boston proper and East Boston (known as the Callahan Tunnel).

3. Summary of Significant Accounting Policies

a) General Accounting Practices

All accounts and records of the Authority were maintained in accordance with accounting practices consistent with the provisions of the following trust agreements: the Supplemental Trust Agreement dated as of January 1, 1962, relating to the Massachusetts Turnpike and Trust Agreement dated as of April 1, 1959, relating to the Callahan-Sumner Tunnels. The Tunnels Trust Agreement was defeased with redemption of all outstanding bonds on March 1, 1989. The Tunnels accounts, records and accounting practices were maintained after March 1, 1989, consistent with the applicable provisions of the defeased Trust Agreement.

As a result of the terms of the bond resolutions and the related interpretation thereof, the Authority's accounting practices differ in certain respects from generally accepted accounting principles, but are in accordance with accounting practices followed by similar entities.

Massachusetts Turnpike Authority—Financial Notes (continued)

b) Combined Financial Statements

In addition to the financial statements presented for each of the two financially distinct facilities, the Authority, as a matter of policy and public information, also presents in its Annual Report, the combined financial statements of the Massachusetts Turnpike and Callahan-Sumner Tunnels.

c) The Fiscal Year

The Authority's fiscal year is the calendar year.

d) Method of Accounting

The funds and accounts of the Authority are maintained on the modified accrual basis. Revenues are recognized in the accounting period in which they become available and measurable. Expenditures are recognized in the accounting period in which the liability is incurred, except for unmatured bond interest in the Sinking Fund Bond Interest Accounts, which is recognized when due.

e) Depreciation

In accordance with the provisions of the respective Trust Agreements, as applicable, depreciation of the Turnpike, Tunnels and related facilities is not included as an operating expense or otherwise provided. The costs of extraordinary maintenance, repairs and equipment replacements, deemed necessary to maintain such facilities, are charged to the Replacement Reserve Funds.

f) Inventories

Inventories consist primarily of sodium chloride, calcium chloride, sand, bulk gasoline and highway guardrail. Inventories are valued at cost utilizing the FIFO method.

g) Investments

Investments are recorded at amortized cost and booked amounts approximate market values.

h) Revenues

All revenues received by the Authority are deposited with The First National Bank of Boston, Trustee, or other authorized bank depositories, and are held in trust and applied in accordance with the provisions of the Massachusetts Turnpike Trust Agreement, and with respect to the Callahan-Sumner Tunnels Trust Agreement through March 1, 1989, and subsequently by Authority Agreement with the Trustee bank. All revenues deposited with the Trustee, or other depositories, are contin-

Massachusetts Turnpike Authority—Financial Notes (continued)

uously secured for the benefit of the Authority and bondholders by marketable securities eligible as security for the deposit of trust funds and held by The First National Bank of Boston, Trustee. On or before the fifteenth day of each month, all monies held for the credit of the revenue funds on the last day of the preceding month, less an amount held in reserve for current expenses, are transferred by the Trustee and credited to the accounts or funds described below.

Massachusetts Turnpike

The Trust Agreement requires that all revenue, after the payment of operating expenses, must be directed into the following accounts:

- 1) to the Sinking Fund Bond Interest Accounts, such amounts, if any, as may be required to make the balances therein equal to the amount of interest which will become payable within the next ensuing six months on all bonds outstanding;
- 2) to the Replacement Reserve Fund, such amounts, if any, as may be required to make the amounts deposited in each fiscal year equal to the amounts recommended by the Consulting Engineers;
- 3) to the Sinking Fund Reserve Account, such amounts, if any, as may be required to make the amount equal to the interest reserve requirements specified in the Trust Agreement;
- 4) to the Redemption Account, the balance, if any, remaining after deposits made under clauses 1, 2 and 3 above.

Callahan-Sumner Tunnels

- 1) to provide for principal and interest on outstanding Tunnel Revenue bonds called for redemption on March 1, 1989;
- 2) to the Replacement Reserve Fund all remaining funds for the Authority's repair and replacement program.

i) Expenses

The 1988 operating expenses were restated to conform with the 1989 format which displays three major categories of expense. These categories are Administration, Retirement and Operations and Public Protection. The term current expenses (operating expenses) as defined in the Trust Agreements excludes any extraordinary maintenance or repair, allowance for depreciation and debt service. The Trust Agreements provide that the Authority will, on or before the first day of each fiscal year, adopt annual budgets. The annual budgets of operating expenses for fiscal years 1989 and 1988 for the two facilities totalled \$57,364,000 and \$50,745,000 respectively.

Massachusetts Turnpike Authority—Financial Notes (continued)

j) Replacement Reserve Funds

These funds are held for the purpose of providing for the costs of resurfacing, replacement or reconstruction, unusual or extraordinary maintenance or repairs, renewals and replacements, the cost of replacing equipment, engineering expenses and premiums on insurance carried under the provisions of the Trust Agreements. The Consulting Engineers are required annually to inspect the Authority's facilities and report to the Authority their findings and recommendations as to: (a) estimate of the amount necessary for proper maintenance, repair and operation during the ensuing fiscal year, (b) insurance to be carried under the provisions of the Trust Agreements and (c) amounts to be deposited during the ensuing fiscal year to the credit of the Replacement Reserve Funds. For fiscal years 1989 and 1988, the Consulting Engineers recommended the following amounts be deposited to the two funds and such amounts were so deposited: Massachusetts Turnpike \$33,800,000 and \$33,400,000 and the Callahan-Sumner Tunnels \$1,500,000 and \$1,000,000, respectively. Additionally, revenues of \$1,921,095 were transferred to the Tunnels Replacement Reserve Fund in 1989.

k) Construction Fund (Turnpike Improvement Revenue Bonds, 1986 Series A)

In 1986, \$40,000,000 of term bonds were issued to finance a portion of the cost of improvements to the Massachusetts Turnpike under the Supplemental Trust Agreement dated as of January 1, 1962, between the Authority and the Trustee, and the series resolution adopted by the Authority on July 16, 1986. The bonds constitute a special obligation of the Massachusetts Turnpike and will be payable solely from net revenues of the Massachusetts Turnpike. Specific improvement projects have been identified as part of the 1989 Critical Needs Report. Unexpended Construction Program funds are invested in compliance with Internal Revenue Code regulations.

4. Cash and Investments—By Fund

The following summarizes the cash and investments as of December 31, 1989 and 1988, by various funds and accounts established under the respective Trust Agreements:

Massachusetts Turnpike Authority—Financial Notes (continued)

Cash and Investments—Revenue and Other Restricted Funds

1989 **1988**

Massachusetts Turnpike

Revenue Fund	\$ 12,079,505	\$ 10,325,608
Sinking Fund		
Bond Interest Accounts	4,790,814	5,126,465
General Reserve Account	9,317,414	9,451,958
Redemption Account	8,502,375	5,615,928
Replacement Reserve Fund	26,089,696	25,252,833
1986 Series A Construction Fund	40,098,014	37,770,536
Totals—Turnpike	\$100,877,818	\$ 93,543,328

Callahan-Sumner Tunnels

Revenue Fund	\$ 2,057,226	\$ 1,271,127
Sinking Fund		
Bond Interest Account		110,118
General Reserve Account		3,833,983
Redemption Account		3,119
Replacement Reserve Fund	5,922,817	2,486,840
Totals—Tunnels	\$ 7,980,043	\$ 7,705,187
Combined Totals	\$108,857,861	\$101,248,515

The following summarizes the Authority's cash and investments held as of December 31, 1989 and 1988:

	1989	1989	1988	1988
	Massachusetts	Callahan-	Massachusetts	Callahan-
	Turnpike	Sumner	Turnpike	Sumner
		Tunnels		Tunnels
Cash—operating and toll				
depository bank accounts \$	8,294,215	\$1,912,226	\$ 7,290,590	\$ 751,108
Investments				
U.S. Treasury Securities	76,068,147	1,995,553	76,473,663	6,424,079
Repurchase Agreements	15,630,000	145,000	6,235,013	530,000
Money Market Accounts	885,456	3,927,264	3,544,062	
Carrying amount Dec. 31	\$100,877,818	\$7,980,043	\$93,543,328	\$7,705,187
Market Value Dec. 31	\$100,865,784	\$7,950,247	\$92,963,023	\$7,705,457

Massachusetts Turnpike Authority—Financial Notes (continued)

In accordance with Section 601 of the respective Trust Agreements, all the Authority's cash and investments are insured, registered and/or collateralized with securities held on behalf of the Massachusetts Turnpike Authority by the Authority's Trustee, the Bank of Boston (First National Bank of Boston) and other authorized depositories.

5. Net Revenues and Sinking Fund Requirements

The Supplemental Trust Agreement requires the Authority to take certain actions in the event the amounts deposited to the sinking fund or net revenues of the Massachusetts Turnpike are less than those referred to in Section 501 of the Supplemental Trust Agreement. In 1989, the net revenues of the Massachusetts Turnpike were less than those referred to in the Supplemental Trust Agreement. The Trustee is required to notify the principal underwriters and bondholders of record of this deficiency.

During the latter part of 1989, the Authority requested the Traffic Engineers to submit their recommendations with respect to a revision in the schedule of tolls in order to fulfill provisions of the Supplemental Trust Agreement and to provide for an accelerated repair and improvement program on the turnpike. The Traffic Engineers recommended a revised schedule of tolls. This recommendation was adopted by the Authority to become effective March 1, 1990.

6. Pension Costs

By the enactment of Chapter 597 of the Acts of 1967, and acceptance thereof by the Authority, the Massachusetts Turnpike Authority Employees' Retirement System was created. Accordingly, effective July 1, 1968, employees of the Authority are entitled to retirement benefits in accordance with the provisions of the Massachusetts Contributory Retirement Law (Chapter 32 of the General Laws, Sections 1-28). Pursuant to Section 22 (7)(e) as amended, the Authority is required to pay annually to the Massachusetts Turnpike Authority Employees' Retirement System, amounts determined by the Division of Public Employees' Retirement Administration (PERA) as necessary for payment of pension benefits to retired employees of the Authority and their beneficiaries and for expenses of said system.

As of January 1, 1988, (the latest estimate), the Authority's actuarial advisor estimated the unfunded frozen actuarial liability for the Authority to be \$24,100,000. By the enactment of Chapter 566 of the Acts of 1978, amending Chapter 32 of the General Laws, provision was made for funding the Massachusetts Turnpike Authority Employees' Retirement System. Under this amendment, the Authority is required to fund the sum of (a) the normal pension cost for the current year, and (b) an amount sufficient to amortize unfunded past service liability prior to dissolution of the Authority.

During fiscal years 1989 and 1988, \$5,101,698 and \$3,312,445 were expensed to the retirement system for the Pension and Expense Funds, and \$1,308,500 and \$1,448,091 to the Pension Reserve Fund for past service liability respectively.

7. Retirees Group Medical Benefits

The Authority provides certain health care benefits for retired employees. The cost of retiree health care benefits is recognized as expense when paid. As of December 31, 1988, (the latest estimate) the Authority's actuarial advisor estimated the present value of the total cost of the unfunded retiree health benefits program to be approximately \$24,600,000.

8. Deferred Compensation Plan

In 1981, the Authority adopted the Massachusetts Turnpike Authority Deferred Compensation Plan (Plan), whereby an employee who elects to participate may defer the receipt of a specified amount of compensation. Such deferred compensation is payable to the participant on retirement, death, disability or financial hardship. In 1981, the Authority entered into an agreement with Aetna Life Insurance and Annuity Company to perform for the Authority certain functions in the implementation and continuing operation of the Plan.

For accounting purposes, the assets and liabilities of the Plan are recorded at market value. As of December 31, 1989 and 1988, the value of the Plan was \$4,625,550 and \$3,813,219, respectively.

9. Lease and Installment Purchase Commitments

The Authority has entered into the following lease and installment purchase agreements which were in full force and effect as of December 31, 1989:

- a) Lease of Administrative Offices located at the State Transportation Building in the City of Boston for the six-year period expiring June 30, 1994.
- b) Lease agreement providing for rental of automatic toll collection equipment located at the Massachusetts Turnpike. The original lease agreement has been extended for a period expiring February 28, 1991.
- c) Computerized Toll Collection System Lease Purchase agreement, commencing November 13, 1986, to finance the acquisition of a computerized toll collection system. The monthly installments of \$173,367 are payable over 60 months ending November 1991.
- d) Lease Purchase agreement, financing heavy motor equipment requirements for the term of five years ending January 1, 1993, with monthly payments of \$78,000.
- e) Toll Equipment Maintenance agreement for the term of three years ending December 29, 1992.

Summary of minimum lease purchase commitments (items 9 (a)-(e)) to be paid over the next five years are as follows:

Massachusetts Turnpike Authority—Financial Notes (continued)

Year Ending December 31	
1990	\$ 4,664,000
1991	4,214,000
1992	2,377,000
1993	426,000
1994	426,000
	<hr/>
Total	<u>\$12,107,000</u>

10. Callahan-Sumner Tunnels Bond Redemption

The balance of outstanding Callahan-Sumner Tunnels 4.75% Series 1959 Tunnel Revenue bonds due April 1, 1999, was \$3,999,000 as of December 31, 1988. On January 10, 1989, The First National Bank of Boston, Trustee, certified to the Authority that as of January 3, 1989, sufficient monies were held in trust for payment of principal and interest on all outstanding Tunnel Revenue Bonds. The Authority issued irrevocable instructions to the Trustee to call all of said bonds for redemption on March 1, 1989, and all outstanding bonds were so called.

Section 16 of the Tunnel Enabling Act, Chapter 598, of the Acts of 1958, provides that once the Callahan-Sumner Tunnel bonds have been paid in full, the Tunnels, if then in good condition and repair to the satisfaction of the Massachusetts Department of Public Works, shall become a part of the state highway system. The Massachusetts Department of Public Works notified the Authority in writing that the present condition and repair of the Tunnels was not acceptable to the Department of Public Works and that significant maintenance and repairs must be completed by the Authority before the Department would accept the Tunnels as part of the state highway system. The Authority's engineers conducted a review of the Tunnels and estimated that approximately \$58,400,000 would be required for completion of repairs and improvements to the Tunnels. Of such amount, \$43,000,000 is required for Tunnels projects, approximately \$2,500,000 for equipment and approximately \$12,900,000 for engineering and contingencies. Round trip tolls were increased from \$.60 to \$1.00 effective August 15, 1989, to begin funding these repairs and improvements.

11. Massachusetts Turnpike—Series B—5% Refunding Bonds

All outstanding Series B —5% Refunding Bonds, due January 1, 2002, in the amount of \$4,390,915, were called for redemption on December 1, 1989, and were redeemed on January 2, 1990.

12. Contingent Liabilities

The Authority is contingently liable under pending litigation and/or claims in which the Authority is the defendant. In the opinion of the Authority and legal counsel, the total potential liability of such actions would not materially affect its financial statements.

Massachusetts Turnpike Authority
Massachusetts Turnpike
Financial Results of Operation 1983-1989—Schedule 1

<i>(Dollars in Thousands)</i>	<i>1983</i>
Revenues	
Gross Toll Revenues	\$70,247
Less Volume Discounts	(490)
Net Toll Revenue	\$69,757
Restaurant/Concession	1,080
Service Station Revenue	1,321
Rental Income	1,631
Investment and Miscellaneous Income:	
Restricted (Replacement Reserve and Sinking Fund)	3,927
Revenue Fund	615
Gross Revenues	\$78,331
Expenses	27,983
Net Revenues Before Required Distribution	\$50,348
Restricted Revenues	(3,927)
Net Funds Available for Distribution	\$46,421
Required Distribution (Transfers)	
Bond Interest	9,785
Relacement Reserve	11,500
Bond Redemption	25,604
Net Change in Revenue Fund	\$ (468)
Revenue Bonds	
Retired During Year	\$30,332
Average Price Paid	\$100.86
Retired to Date	\$254,000
Percent Retired to Date	53.8
Bonds Outstanding	\$218,000

See independent auditor's report.

<i>1984</i>	<i>1985</i>	<i>1986</i>	<i>1987</i>	<i>1988</i>	<i>1989</i>
\$75,946 (542)	\$80,446 (547)	\$85,433 (600)	\$90,106 (623)	\$ 94,487 (652)	\$ 95,305 (664)
\$75,404 1,150 1,369 1,694	\$79,899 1,475 1,404 1,774	\$84,833 1,783 1,495 2,277	\$89,483 1,949 1,706 2,838	\$ 93,835 2,487 1,747 2,775	\$ 94,641 2,666 1,716 2,661
4,173 658	3,145 622	2,836 506	2,935 552	3,136 603	3,771 1,413
\$84,448 30,618	\$88,319 32,262	\$93,730 35,898	\$99,463 38,275	\$104,583 43,444	\$106,868 49,169
\$53,830 (4,173)	\$56,057 (3,145)	\$57,832 (2,836)	\$61,188 (2,935)	\$ 61,139 (3,136)	\$ 57,699 (3,771)
\$49,657	\$52,912	\$54,996	\$58,253	\$ 58,003	\$ 53,928
10,725 15,500 22,237	9,581 27,000 14,644	12,725 28,400 14,272	10,952 28,500 18,693	9,907 33,400 15,900	8,931 33,800 9,645
\$ 1,195	\$ 1,687	\$ (401)	\$ 108	\$ (1,204)	\$ 1,552
\$27,924 \$100.70 \$281,924 56.4	\$18,033 \$99.30 \$299,956 60.0	\$15,520 \$104.07 \$315,476 58.5	\$18,360 \$105.52 \$333,836 61.9	\$17,509 \$106.01 \$351,345 65.1	\$7,738 \$103.32 \$359,083 66.5
\$217,676	\$199,644	\$224,124	\$205,764	\$188,255	\$180,517

*Massachusetts Turnpike Authority
Class Comparison—Massachusetts Turnpike
January-December 1988 vs January-December 1989—Schedule 2*

<i>Class and Description</i>	<i>Transactions 1988</i>	<i>Transactions 1989</i>
1. Passenger Vehicle or Light Truck (Taxi, Van, Ambulance, Motorcycle, Hearse)	125,013,178	125,951,105
2. Passenger Vehicle or Light Truck with One or Two Axle Trailer	331,915	332,319
3. Truck - Five or More Axles	4,325,580	4,273,588
5. Medium Truck—Dual Tires with Two Axles	2,634,226	2,645,551
6. Truck—Three Axles	611,738	624,374
7. Truck—Four Axles	938,219	883,282
8. Bus	753,938	747,421
9. Tandem Trailer Unit	242,272	248,198
Totals	134,851,066	135,705,838

See independent auditor's report.

<i>Increase or (Decrease)</i>	<i>%</i>	<i>Gross Revenue 1988</i>	<i>Gross Revenue 1989</i>	<i>Increase or (Decrease)</i>	<i>%</i>
937,927	0.8	\$72,222,301	\$73,352,048	\$1,129,747	1.6
404	0.1	443,892	444,838	946	0.2
(51,992)	(1.2)	13,688,142	13,481,056	(207,086)	(1.5)
11,325	0.4	2,655,725	2,695,867	40,142	1.5
12,636	2.1	782,164	799,793	17,629	2.3
(54,937)	(5.9)	2,145,762	2,022,271	(123,491)	(5.8)
(6,517)	(0.9)	793,345	776,711	(16,634)	(2.1)
<u>5,926</u>	<u>2.4</u>	<u>1,756,296</u>	<u>1,732,365</u>	<u>(23,931)</u>	<u>(1.4)</u>
<u><u>854,772</u></u>	<u><u>0.6</u></u>	<u><u>\$94,487,627</u></u>	<u><u>\$95,304,949</u></u>	<u><u>\$817,322</u></u>	<u><u>0.9</u></u>

Massachusetts Turnpike Authority
Callahan-Sumner Tunnels
Financial Results of Operations 1983-1989—Schedule 3

<i>(Dollars in Thousands)</i>	1983
Revenues	
Net Toll Revenue	\$8,566
Rental Income	72
Investment and Miscellaneous Income:	
Restricted (Replacement Reserve and Sinking Fund)	720
Revenue Fund	<u>35</u>
Gross Revenues	\$9,393
Expenses	<u>4,695</u>
Net Revenues Before Required Distribution	\$4,698
Restricted Revenues	<u>(720)</u>
Net Funds Available for Distribution	\$3,978
Required Distribution (Transfers)	
Bond Interest	805
Relacement Reserve	900
Bond Redemption	<u>2,398</u>
Net Change in Revenue Fund	<u><u>\$ (125)</u></u>
Revenue Bonds	
Retired During Year	\$3,095
Average Price Paid	\$95.37
Retired to Date	\$37,932
Percent Retired to Date	70.0
Bonds Outstanding	\$16,468

See independent auditor's report.

1984	1985	1986	1987	1988	1989
\$8,973	\$9,189	\$ 9,453	\$ 9,617	\$ 9,763	\$12,215
69	74	74	76	78	79
684	667	595	502	482	379
43	36	30	38	44	98
\$9,769	\$9,966	\$10,152	\$10,233	\$10,367	\$12,771*
4,951	5,127	5,627	6,296	7,298	8,123
\$4,818	\$4,839	\$ 4,525	\$ 3,937	\$ 3,069	\$ 4,648
(684)	(667)	(595)	(502)	(482)	(380)
\$4,134	\$4,172	\$ 3,930	\$ 3,435	\$ 2,587	\$ 4,268
670	602	408	342	225	(32)
1,000	1,340	1,500	1,000	1,000	3,421
2,288	2,330	1,996	1,985	1,538	(43)
\$ 176	\$ (100)	\$ 26	\$ 108	\$ (176)	\$ 922
\$2,899	\$2,884	\$2,538	\$1,929	\$2,219	\$3,999
\$95.83	\$97.41	\$98.53	\$99.77	\$100.74	\$100.00
\$40,831	\$43,715	\$46,253	\$48,182	\$50,401	\$54,400
75.1	80.4	85.0	88.6	92.6	100.0
\$13,569	\$10,685	\$8,147	\$6,218	\$3,999	\$0

*Revenue reflects toll increase effective August 15, 1989.

*Massachusetts Turnpike Authority
Class Comparison—Callahan-Sumner Tunnels
January-December 1988 vs January-December 1989—Schedule 4*

<i>Class and Description</i>	<i>Transactions 1988</i>	<i>Transactions 1989</i>
2. Two Axle Vehicle	15,207,384	15,391,868
3. Three Axle Vehicle	25,193	49,339
4. Four Axle Vehicle	40,523	39,189
5. Five Axle Vehicle	17,971	21,532
6. Six Axle Vehicle		228
7. Seven Axle Vehicle		67
9. Commuter	1,301,597	1,231,483
Totals	16,592,668	16,733,706

See independent auditor's report.

<i>Increase or (Decrease)</i>	<i>%</i>	<i>Gross Revenue 1988</i>	<i>Gross Revenue 1989</i>	<i>Increase or (Decrease)</i>	<i>%</i>
184,484	1.2	\$9,165,317	\$11,598,959	\$2,433,642	26.6
24,146	95.8	22,250	55,187	32,937	148.0
(1,334)	(3.3)	40,523	47,210	6,687	16.5
3,561	19.8	19,767	29,395	9,628	48.7
228	100.0		456	456	100.0
67	100.0		151	151	100.0
<u>(70,114)</u>	<u>(5.4)</u>	<u>520,636</u>	<u>492,592</u>	<u>(28,044)</u>	<u>(5.4)</u>
<u>141,038</u>	<u>0.9</u>	<u>\$9,768,493</u>	<u>\$12,223,950*</u>	<u>\$2,455,457</u>	<u>25.1</u>

**Revenue reflects toll increase effective August 15, 1989.*

*Massachusetts Turnpike Authority
Independent Auditor's Report*

February 26, 1990

Members of the Board
Massachusetts Turnpike Authority
Boston, Massachusetts 02116

We have audited the statements of condition of the two financially distinct facilities of the Massachusetts Turnpike Authority consisting of the Massachusetts Turnpike and the Callahan-Sumner Tunnels, as of December 31, 1989, and 1988 and their related statements of revenues, expenses, required distributions and change in revenue fund and changes in fund balances for the years then ended pursuant to the respective Trust Agreements. These financial statements are the responsibility of the Massachusetts Turnpike Authority management. Our responsibility is to express an opinion on these financial statements based on our audits.

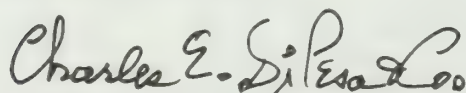
We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As more fully described in Note 3, the Authority's policy is to prepare its financial statements on the basis of accounting practices prescribed by the Trust Agreements. These practices vary in some respects from generally accepted accounting principles. Accordingly, the financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles. As a matter of policy and public information, also presented are combined financial statements of the Massachusetts Turnpike and the Callahan-Sumner Tunnels.

In our opinion, the aforementioned financial statements present fairly in all material respects, the financial positions of the Massachusetts Turnpike Authority entities, the Massachusetts Turnpike and the Callahan-Sumner Tunnels, as of December 31, 1989, and 1988 and the revenues, expenses, required distributions and change in revenue fund and changes in fund balances for the years then ended in conformity with the provisions of the Trust Agreements, as set forth in Note 3 to the financial statements.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary data is presented for the purpose of additional analyses in supplementary Schedules 1 through 4 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is stated fairly in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,



Charles E. Di Pesa & Company
Certified Public Accountants

Stanley J. Britton
Secretary-Treasurer

After nearly 26 years of service to the Authority, Stanley J. Britton retired as Secretary-Treasurer in March 1989. Serving in this position since 1965, Mr. Britton managed all of the Authority's finances including bond issues, trust agreements, budgeting and long range financial planning for 24 years.

In 1968, Mr. Britton helped establish the Turnpike Authority's Retirement System and served as its chairman for several years. Additionally, he served as International President, International Bridge, Tunnel and Turnpike Association (IBTTA) in 1980.

Mr. Britton's retirement was one of many in 1989. Among those senior managers taking their leave of the Authority were Real Estate Director David Nagle, Tunnels Superintendent William Driscoll, Maintenance Engineer John Dias and Data Processing Director William Coffill. Together these men had over 100 years of service to the Authority.

Retirement System
Financial
Statements

Statement of Condition	58-59
Receipts and Disbursements	60-61
Investment Policy and Portfolio	62-63

Massachusetts Turnpike Authority
Employees' Retirement System
Statement of Condition as of December 31, 1989 and 1988

(Unaudited*) Assets	Combined Statement	
	1989	1988
Cash and cash equivalents	\$10,194,746	\$ 8,399,581
Fixed income securities	48,941,589	39,861,307
Equities	1,138,208	2,588,500
Principal adjustment account	192,555	226,679
Accrued interest on investments	1,386,795	1,226,966
Net accounts receivable (payable)	(438,099)	10,658
Total Assets	<u>\$61,415,794</u>	<u>\$52,313,691</u>
Liabilities		
Annuity Savings Fund	\$14,608,736	\$13,108,997
Annuity Reserve Fund	4,220,306	3,400,861
Pension Fund	896,673	425,050
Expense Fund	103,818	100,901
Pension Reserve Fund	<u>\$41,586,261</u>	<u>\$35,277,882</u>
Total Liabilities	<u>\$61,415,794</u>	<u>\$52,313,691</u>

***See Notes to Financial Statements**

<i>Massachusetts Turnpike</i>		<i>Callahan-Sumner Tunnels</i>	
<i>1989</i>	<i>1988</i>	<i>1989</i>	<i>1988</i>
\$ 7,321,360	\$ 5,726,669	\$2,873,386	\$2,672,912
42,781,344	34,874,082	6,160,245	4,987,225
391,875	2,093,000	746,333	495,500
179,466	211,211	13,089	15,468
1,192,097	1,082,809	194,698	144,157
127	31,055	(438,226)	(20,397)
<hr/>		<hr/>	
\$51,866,269	\$44,018,826	\$9,549,525	\$8,294,865
<hr/>		<hr/>	
\$12,526,443	\$11,343,007	\$2,082,293	\$1,765,990
3,649,281	2,951,496	571,025	449,365
624,631	269,310	272,042	155,740
96,225	92,430	7,593	8,471
\$34,969,689	\$29,362,583	\$6,616,572	\$5,915,299
<hr/>		<hr/>	
\$51,866,269	\$44,018,826	\$9,549,525	\$8,294,865
<hr/>		<hr/>	

**Massachusetts Turnpike Authority
Employees' Retirement System
Statement of Receipts and Disbursements
For the years ended December 31, 1989 and 1988**

(Unaudited*)	1989 Combined Statement
Cash and cash equivalents, January 1	<u>\$ 8,399,581</u>
Receipts	
Members' contributions	\$ 1,932,340
Transfers from other systems	287,672
Pension reimbursements from other systems	158,409
Pension Fund appropriation	3,446,436
Expense Fund appropriation	174,000
Pension Reserve Fund appropriation	1,572,500
Sale or maturity of investments	6,368,560
Net gain/(loss) on sale of investments	276,317
Investment income	5,030,414
Interfund transfers	<u>—</u>
Total Receipts	<u>\$19,246,648</u>
Disbursements	
Regular annuity payments	\$ 352,065
Option (b) annuity payments	95,424
Pension payments	3,232,771
Pension reimbursements to other systems	13,505
Refunds	172,082
Transfers to other systems	45,807
Administrative expenses	171,046
Investments	13,288,001
Accrued interest purchased	<u>80,782</u>
Total Disbursements	<u>\$17,451,483</u>
Cash and cash equivalents, December 31	<u><u>\$10,194,746</u></u>

*See Notes to Financial Statements

1989 Mass. Turnpike	1989 Callahan Sumner Tunnels	1988 Combined Statement	1988 Mass. Turnpike	1988 Callahan Sumner Tunnels
<u>\$ 5,726,669</u>	<u>\$2,672,912</u>	<u>\$ 5,855,591</u>	<u>\$ 4,306,003</u>	<u>\$ 1,549,588</u>
\$ 1,682,895	\$ 249,445	\$ 1,635,589	\$ 1,407,438	\$ 228,151
246,888	40,784	40,137	37,017	3,120
145,821	12,588	56,948	54,813	2,135
2,865,436	581,000	2,920,709	2,560,369	360,340
156,600	17,400	140,300	126,300	14,000
1,522,500	50,000	1,624,091	1,262,731	361,360
6,172,310	196,250	13,062,963	10,384,659	2,678,304
260,212	16,105	399,982	326,083	73,899
4,318,202	712,212	4,272,530	3,629,048	643,482
(690,284)	690,284	—	(545,574)	545,574
<u>\$16,680,580</u>	<u>\$2,566,068</u>	<u>\$24,153,249</u>	<u>\$19,242,884</u>	<u>\$4,910,365</u>
\$ 301,600	\$ 50,465	\$ 288,878	\$ 247,902	\$ 40,976
72,482	22,942	102,127	97,180	4,947
2,803,650	429,121	2,821,382	2,449,353	372,029
13,447	58	14,666	14,608	58
124,025	48,057	198,235	176,694	21,541
37,642	8,165	31,936	29,774	2,162
152,772	18,274	134,851	120,233	14,618
11,507,536	1,780,465	17,765,852	14,482,056	3,283,796
72,735	8,047	251,332	204,418	46,914
<u>\$15,085,889</u>	<u>\$2,365,594</u>	<u>\$21,609,259</u>	<u>\$17,822,218</u>	<u>\$3,787,041</u>
<u>\$ 7,321,360</u>	<u>\$2,873,386</u>	<u>\$ 8,399,581</u>	<u>\$ 5,726,669</u>	<u>\$2,672,912</u>

Retirement System Investment Policy and Portfolio

Notes to Financial Statements

The assets of the Massachusetts Turnpike Authority Employees' Retirement System are invested in accordance with the provisions and limitations of Massachusetts General Laws, Chapter 32, Section 23. Notes and bonds are valued on an amortized cost basis, equities are valued at market and other investments are carried at face value.

On December 31, 1989, the assets were invested as follows:

	Book Value	% of Book Value
Fixed Income Securities	\$48,941,589	81.79%
Equities	1,138,208	1.90%
Cash and Cash Equivalents	9,755,636	16.31%
Total	<u>\$59,835,433</u>	<u>100.00%</u>

The portfolio quality as measured by Moody's Investor's Service (fixed income and preferred shares) and Standard and Poor's Corporation (common stock) was structured as follows:

Rating	No. of Issues	% Total	Book Value	% Total
a) Bonds				
AAA	26	32.10%	\$13,025,551	28.67%
AA1	13	16.05%	6,779,883	14.92%
AA2	11	13.58%	5,863,575	12.91%
AAA+	8	9.88%	5,838,210	12.85%
AA	1	1.22%	442,094	.97%
AA3	8	9.88%	5,629,356	12.39%
A1	6	7.41%	4,680,728	10.31%
A2	4	4.94%	1,749,664	3.85%
Non-rated	4	4.94%	1,423,522	3.13%
Totals	81	100.00%	\$45,432,583	100.00%
b) Guaranteed Investment Contracts				
Non-rated	6	100.00%	\$ 3,500,000	100.00%
c) Preferred Stock				
Baa2	1	100.00%	\$ 391,875	100.00%
d) Common Stock				
B -	1	100.00%	\$ 304,500	100.00%

Based on data provided by the System's custodian bank, the time weighted rate of return for the year 1989 was 14.75%.

***Retirement System Investment Policy and Portfolio
Notes to Financial Statements***

The Investment Report published by PERA dated December 18, 1989, for the period ending December 31, 1988, indicated the Massachusetts Turnpike Authority Employees' Retirement System was ranked number eighteen of the one hundred six public employee retirement systems in the Commonwealth for the four year period 1985-1988 with an annualized return of 13.14%.

Average maturity of the bonds/GIC's holdings on December 31, 1989, was 7.9 years. The equity portfolio included only one common stock holding with a beta coefficient of .95% as measured by Value Line. The balance of the equity portfolio consisted of preferred stock and shares in a combined investment fund investing only in U.S. Government securities.

Investment earnings for the year 1989 totalled \$5,500,482 representing a yield of 9.7% based on the mean ledger assets of the System. Pursuant to Section 22(6) of Chapter 32, as amended, interest was credited to members' Annuity Savings Fund accounts at the rate of 5.3% in 1989 as established by the Commissioner of PERA, and at the annual rate of 3% to the Annuity Reserve Fund on the basis of the averages of the balances outstanding in the fund on the first day of each month during the year. Distribution of the earnings was as follows:

	<i>Massachusetts Turnpike</i>	<i>Callahan- Sumner Tunnels</i>	<i>Combined System</i>
Annuity Savings Fund	\$ 559,748	\$ 93,065	\$ 652,813
Annuity Reserve Fund	100,337	16,866	117,203
Pension Reserve Fund	<u>4,080,353</u>	<u>650,113</u>	<u>4,730,466</u>
Total	<u><u>\$4,740,438</u></u>	<u><u>\$760,044</u></u>	<u><u>\$5,500,482</u></u>



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